



Beverly Hills City Council Liaison / Legislative/Lobby Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

**CITY HALL
455 North Rexford Drive
4th Floor Conference Room A
Beverly Hills, CA 90210**

**Monday, January 23, 2017
4:00 PM**

AGENDA

- 1) Public Comment
 - a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.
- 2) Review Legislative Platform and obtain direction on bringing to Council for approval
- 3) Equality Act
- 4) Transportation Funding
 - a. SB 1
 - b. AB 1
 - c. Governor's Transportation Proposal
 - d. Fix our Roads Coalition
- 5) Report on Governor's Budget Release
- 6) Autonomous Vehicle Legislation
 - a. AB 87
 - b. SB 145
- 7) Other pertinent legislation introduced
- 8) Adjournment


Byron Pope, City Clerk

Posted: January 18, 2017



In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Manager's Office at (310) 285-1014. Please notify the City Manager's Office at least twenty-four hours prior to the meeting so that reasonable arrangements can be made to ensure accessibility.



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cindy Owens, Senior Management Analyst

DATE: January 18, 2017

SUBJECT: 2017 Legislative Platform

ATTACHMENT: 1. Draft 2017 Legislative Platform
 2. 2015 Legislative Platform

INTRODUCTION

Each year, the City establishes a Legislative Platform (Attachment 1) which embodies key legislative themes and priorities for the upcoming year. The legislative platform provides direction for our legislative advocates and City staff as they work to secure clear and strategic initiatives locally as well as in Sacramento and Washington, D.C.

DISCUSSION

The objective of the legislative platform is to outline the City's position on legislative matters and serve as the foundation for the City to support or oppose various local, state and federal legislation. This platform seeks to not only secure critical resources for our City, but also outlines policy statements that will allow City staff and our legislative lobbyists to more effectively respond to and influence legislation at the local, state and federal level. This platform is meant to be an evolving document that will be amended from year to year by City Council.

The legislative priorities have been identified by staff to encompass the objectives of the City Council and the interests of the City of Beverly Hills. These priorities are arranged by the categories listed below:

- | | |
|----------------------------------------------|------------------------------------|
| • Community Development | • Housing |
| • Community Development – Transportation | • Local Control |
| • Community Services | • Pension Reform |
| • Electoral Process | • Public Health |
| • Emergency Management and Homeland Security | • Public Safety |
| • Environmental Sustainability | • Public Works – Stormwater |
| • Fiscal and Administrative Initiatives | • Public Works – Water & Utilities |
| • General Government | |

RECOMMENDATION

Staff recommends that the Committee approve the Legislative Platform and have it placed on the City Council Consent Calendar for the February 7, 2017 City Council Meeting for formal adoption.

Attachment 1

CITY OF BEVERLY HILLS LEGISLATIVE ADVOCACY PLATFORM



2017 LEGISLATIVE SESSION

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City of Beverly Hills
REGIONAL, STATE FEDERAL LEGISLATIVE PLATFORM

Platform Overview

The purpose of the legislative platform is to provide a means for summarizing the City's core legislative principles for the purpose of advocacy efforts at the regional, state and federal level. The Legislative Platform contains broad policy statements pertaining to a variety of issues that impact the City of Beverly Hills.

The legislative platform sets forth the City's legislative objectives for the 2017 legislative session and provides direction for our legislative advocates as they work to secure clear and strategic initiatives in Sacramento and Washington, D.C. Approval of the legislative platform also streamlines the City's process and allows the City's Executive team to effectively respond and take immediate action on pressing legislation under City Council direction.

The City Manager's Office will continually update the legislative platform taking into account new issues or priorities as they relate to Beverly Hills or other regional partners. Additionally, the policies established within the platform do not preclude City Council consideration of additional legislative matters arising throughout the year that may be brought forward for City Council action.

The City's primary legislative focus includes protecting local government control, maintaining local government revenue, and obtaining funding for environmental sustainability, transportation, recreational, technology and infrastructure improvements.

Community Development

- Promote revisions to California Environmental Quality Act (CEQA) that seek to modernize, simplify and streamline the Act.
- Monitor land use issues and support legislative and administrative efforts to maintain the integrity of local government's control over land use, planning and zoning matters.
- Support federal, state and regional legislation and funding for programs and policies which would facilitate first and last mile connections to encourage use of public transportation.
- Seek funding to plan and construct first and last mile travel connections.

Community Development - Transportation

- Promote funding, policy goals and visibility for the development of autonomous vehicles.
- Support regional, state and federal efforts for the development of compatible autonomous vehicle infrastructure.

- Support measures and discretionary grant programs that provide funding for critical transportation infrastructure projects that improve mobility for residents and visitors in and around Beverly Hills.
- Support legislation that expands transportation planning, funding, and voluntary incentives to include an increasingly multi-modal perspective focusing on transit, alternative fuel vehicles and fleets, pedestrian ways, bikeways, multi-use trails and parking.
- Support state and federal legislation that enhances the safety of City streets for automobile, bicycle and pedestrian traffic, including issues related to photo speed radar enforcement, traffic congestion reduction programs and regional transportation improvements.
- Support measures which provide the City's fair share of funding from the State's cap and trade funding sources.
- Support legislation that would discourage the misuse of disabled placards.
- Work with other agencies in the region to support current state and federal funding levels and encourage increased funding and flexibility in both operating and capital funding for mass transit.
- In conjunction with the Westside Cities Council of Governments (WSCOG) and other agencies, support legislation that provides incentives for the development of local transportation corridors.
- Support local, regional, state and federal legislative, administrative, and regulatory efforts that will expand and/or supplement funding for maintaining and upgrading major thoroughfares in the City, allowing for better traffic flow and pedestrian safety.
- Support increased state and federal resources to mitigate traffic congestion on City streets and rebuild and maintain roads.

Community Services

- Support funding for literacy and English-as-a-second language programs.
- Support protection against censorship and restriction of free speech.
- Support funding for ADA facility and park upgrades.
- Promote legislation that provides for increased services to or funding for at-risk populations such as the frail elderly, homeless, disabled and other challenged populations.
- Support funding and policy initiatives that support mental health care (e.g., access to psychiatric facilities, behavioral health care treatment, and street-based services).
- Support legislation that addresses the need for housing and supportive services, (e.g. health, mental health and social services) for the City's homeless population.

Economic Sustainability

- Advocate for measures that support the City's continued efforts to retain and promote the success of local businesses.
- Support tourism and its role in creating jobs and economic benefits to the City.

- Support legislation that would allow local brick-and-mortar retailers to compete more effectively against out-of-state internet sellers.

Electoral Process

- Monitor legislative or other initiatives which may address the integrity of the electoral process.
- Encourage safeguards that ensure all eligible voters are provided with the mechanisms to exercise the right to vote.
- Support initiatives which promote government transparency regarding election processes.

Emergency Management and Homeland Security

- Support strategies, legislation and funding that promotes emergency management, resiliency and recovery efforts.
- Advocate for I.C.I. System (Interagency Communications Interoperability System) participation among jurisdictions and funding for equipment and operations.
- Support funding opportunities for local homeland security, public safety and emergency management programs including new technology and equipment (e.g., closed circuit television) that does not supplant other City funding, services or operations.
- Seek grants and pilot project/demonstration project funding for City homeland security, public safety and emergency management priorities.
- Support federal funding for the deployment and long term sustainment of the Biowatch program in Beverly Hills.
- Support federal funding for additional deployment of the Biowatch program for special events in Beverly Hills that are potential targets for acts of terrorism.

Environmental Sustainability

- Advocate for cost-effective, sustainable, and responsible environmental policy and programs in the areas of energy efficiency, greenhouse gases, climate change, potable water, wastewater, solid waste removal and storm water, among others.
- Support legislation protecting, preserving and restoring the natural environment where it does not conflict with local control and land use designations.
- Support efforts to create partnerships among the City government, School District, businesses, residents, and all other community stakeholders as necessary to achieve a sustainable community.
- Support legislation to combat climate change and improve air quality.
- Support funding to foster an energy efficient, walk-able community that provides ample goods, services and benefits to all residents while respecting the local environment.

- Support funding for educational programs to involve and encourage the participation of all segments of the community in creating a sustainable environment.
- Support legislation and funding for the Metropolitan Transportation Agency (MTA) and other regional transit authorities to continue to create multi-modal transportation systems that minimizes pollution and reduces motor vehicle congestion while ensuring access and mobility for all.

Fiscal and Administrative Initiatives

- Support fiscal sustainability and 'best in class' administrative initiatives to ensure the delivery of superlative city services.
- Monitor initiatives which seek changes in fiscal relationships at the local, state and federal level.
- Support legislation that guarantees ongoing revenue sources for local government.
- Pursue funding opportunities for public facilities and services including capital improvement projects, public works projects, homeland security, library, parks and social service facilities.
- Oppose any legislation that would undermine voter-approved initiatives to guarantee ongoing revenue sources for local government.
- Oppose legislation that would preempt local authority over local taxes and fees.
- Protect the City's right to levy and collect Transient Occupancy Taxes from hotels, including online hotel intermediaries.
- Oppose any federal or state legislation that would provide immunity to online hotel intermediaries and/or prohibit the City from collecting (retroactively or otherwise) Transient Occupancy Taxes.
- Support continued or expanded funding for the Community Development Block Grant (CDBG) program.
- Oppose any attempt to eliminate or limit the traditional tax exemption for municipal bonds.
- Engage in and advocate for legislation or ballot measures to prevent the state from borrowing, raiding or otherwise redirecting local government funds (local taxes, property taxes, etc.).
- Continue to promote increased flexibility for the utilization of municipally generated revenues.
- Support California League of Cities legislative efforts for pension reform and other post-employment benefits (OPEB) unfunded liability.

General Government

- Support legislation that would prohibit the flying of helicopters or other aircraft at low altitudes over residential neighbors excluding police, fire or other public safety aircraft.

- Support efforts to increase state resources for local arts, cultural events and library programs, including performing and visual arts programs.
- Support legislation that encourages policies and programming that promote healthy lifestyles; e.g. physical activity, preventative screenings, healthful eating and core wellness for people of all ages and abilities.
- Support efforts to increase state or federal funding for necessary infrastructure improvements.
- Support legislation that would establish state wide regulations prohibiting the use of unmanned aircraft to record or transmit any visual audio recording of any person or private real property in which the subject person or owner of property has a reasonable expectation of privacy.
- Oppose additional state and federal unfunded mandates.

Housing

- Pursue incentive-based housing legislation to encourage expanding the housing supply in our area including more flexibility for local jurisdictions to work together to provide housing that counts toward Regional Housing Needs Assessment (RHNA) requirements.
- Support federal and state funding for affordable senior housing opportunities and projects.

Local Control

- Support legislation that enhances local control of resources and allows cities to address the needs of local constituents within a framework of regional cooperation.
- Support legislation that encourages the use of federal and state incentives for local government action rather than mandates.
- Oppose any state or federal mandates without the direct or indirect reimbursement for the costs associated with complying with new and/or modified laws, regulations, policies, procedures, permits and/or programs.
- Oppose preemption of local authority whether by state or federal legislation or ballot propositions.
- Support measures increasing local autonomy, protecting privacy and maintaining local authority over public records. This includes measures that provide for the recovery of costs with regard to public records requests.
- Support transparent government and the role of the California Public Records Act while simultaneously observing and protecting the current Rule of Law in California including better legislation in regards to protecting the privacy of public records and enhancing laws related to digital records.

Pension Reform

- Monitor legislative initiatives designed to achieve public employee pension reform.

- Inform the City Council of future legislative bills, statewide initiatives or other options as they emerge regarding employee pensions.
- Continue to influence, where necessary and applicable, any future efforts that may impact local governments ability to achieve and/or maintain sustainable pensions.

Public Health

- Continue to promote legislation that enhances the health of the general population, with an emphasis on programs that focus on youth, the elderly and at-risk populations.
- Monitor opportunities to expand the City's 'Fresh Air Dining' ordinance to other communities or through state legislation.
- Support legislative efforts to regulate the smoking of any substance at multi-family complexes.

Public Safety

- Oppose legislation or other administrative actions that seek to limit the police department's ability to collect and utilize asset forfeiture funds for a wide variety of police services.
- Support legislation that provides frontline funding for police services associated with the early release of state prisoners as a result of state-mandated criminal justice realignment provisions.
- Support the development and use of new firefighting technology in order to produce higher levels of health and safety.
- Advocate for legislation/funding that would take advantage of current technology to prevent crime (i.e. - the ability to use surveillance cameras and automatic license plate recognition technology).
- Support the deployment and research of new and emerging technologies that provide law enforcement with tools to provide the highest level of service including:
 - Next Generation 911
 - Mobile & Body Worn Cameras
 - New Generation Investigative Technology-, including unmanned aircraft
 - Digital Evidence- support funding for local jurisdictions to collect, store and retain digital evidence.
- Support legislation and seek funding that will assist in preventing and reducing crimes, primarily related to drugs, gang violence, mental illness, and pedestrian safety.
- Oppose legislation to expand "early release" for low-risk serious and violent offenders without an increase in sustained funding to ensure responsible supervision by parole agents and for local agencies that provide post-release supervision.
- Oppose any efforts to further decriminalize existing crimes in California or lessen the sentences of any offenses that would result in the release of serious criminals who would further harm the safety of the public and law enforcement personnel.

- Support interoperable communication solutions that meet radio spectrum needs of first responders.
- Support efforts to eradicate human trafficking.
- Support legislation that aids paramedics and other emergency medical service practitioners in their ability to be responsive to community needs.
- Seek grants and pilot project/demonstration project funding for public safety programs and priorities.
- Support funding initiatives for Peace Officers Standards and Training (POST) and other law enforcement support organizations.
- Support and encourage legislation and budget negotiations that retain funding for state and local law enforcement agencies, including behavioral health treatment, drug and trafficking taskforces, crisis intervention teams, and adequate patrol staffing.
- Identify opportunities for reimbursements to supplement increased custodial and supervision costs resulting from prison realignment.
- Oppose legislation with mandates for local agency adherence to operations and programs that may not be reimbursable by state budget funds
- Support legislation that expands the treatment of, and response to, mentally ill persons and the growing issues associated with the mentally ill.
- Support funding for the increased demand being placed on law enforcement for response to societal issues including homelessness; substance abuse and dependency; and unpredictable and potentially harmful behavior towards the public and peace officers.
- Support a more effective and relevant reporting of local agency data, and ensure that any disclosed data be fair and equitable.
- Support legislation that amends the Centers for Medicare & Medicaid Services (CMS) regulation 42 CFR 410.40 Coverage of Ambulance Services (e) to allow Medicare reimbursement for beneficiaries not transported to the emergency department. This would include:
 - Allowing CMS to provide a benefit to local jurisdictions for 'dry runs'
 - Allowing CMS to provide a benefit for treatment in the field apart from transport, including reimbursement for mid-level practitioners, such as nurse practitioners, as many jurisdictions are moving towards a model of staffing Emergency Medical Services with a higher level of medical care.

Public Works - Stormwater

- Ensure the state continues to fund the California Department of Transportation (Cal Trans) capital construction budget for offsetting their requirements to limit their total maximum daily load (TMDL) for pollutant discharge. Encourage Cal Trans to continue to enter into Cooperative Implementation Agreements with local jurisdictions to fund stormwater capture and retention projects.
- Ensure that the State (State Water Resources Control Board) continues to provide Cal Trans Stormwater a Compliance Based Credit System that includes compliance

based on using funds to support stormwater projects that would meet statewide TMDLs.

- Support legislation for funding stormwater infrastructure improvements, including building facilities to capture stormwater runoff and integrate with local, regional and statewide water resources.
- Support legislation that would provide pragmatic compliance goals in statewide and regional NPDES permits.
- Support state and county efforts to develop avenues for agencies to collect revenue to support stormwater retention efforts.
- Support legislation that would classify stormwater as a utility similar to water, wastewater and solid waste services.

Public Works – Water & Utilities

- Support measures that uphold the ability of locally elected City Councils to regulate and manage their publicly owned water utility so that local authority is not eroded by state or federal agencies, authorities, or other regulatory bodies.
- Oppose legislation that adds requirements to provide services that customers do not value, want, or need.
- Support legislation that ensures local rate making authority is preserved and remains meaningful.
- Support policies that recognize, support and credit the role of water conservation and water use efficiency in reducing greenhouse gas emissions.
- Support local control of groundwater uses and groundwater rights.
- Support local control for planning management and use of water supplies to address local needs and contribute to long-term sustainability.
- Support efforts that seek to bring federal sources of funding to California for water infrastructure development and renewable energy development through water management.
- Support cost effective water conservation programs and incentives that are funded by the state or federal government.
- Support flexible funding options that will help local communities upgrade and replace water and wastewater infrastructure.
- Support legislation for state funding for the development of local water supply and water conservation efforts.
- Provide local governments the flexibility to implement community choice aggregation for the purchase of electricity and oppose legislation that would place overly strict requirements on the establishment of, and activities by, community choice aggregators.
- Oppose legislation that makes it more difficult for community-choice aggregators to begin operation.
- Support legislation that ensures equitable cost-sharing between investor-owned utilities and community choice aggregation for stranded costs.

Attachment 2

City of Beverly Hills

STATE AND FEDERAL LEGISLATIVE PLATFORM

Platform Overview

The Legislative Platform contains broad policy statements pertaining to a variety of issues that impact the City of Beverly Hills. The Legislative Platform provides a policy framework for the City to respond to legislative issues in a timely manner.

The City's primary legislative focus includes protecting local government control, maintaining local government revenue, pursuing homeland security funding, obtaining funding for environmental sustainability, transportation, recreational, technology and infrastructure improvements.

Local Control

Support legislation that enhances local control of resources and that allows cities to address the needs of local constituents within a framework of regional cooperation. Encourage the use of federal and state incentives for local government action rather than mandates (funded or unfunded). Oppose preemption of local authority whether by state or federal legislation or ballot propositions.

Fiscal and Administrative Initiatives

Support fiscal sustainability and 'best in class' administrative initiatives to ensure the delivery of superlative city services. Monitor initiatives which seek changes in fiscal relationships at the local, state and federal level, and support legislation that guarantees ongoing revenue sources for local government.

Pursue funding opportunities for public facilities and services including capital improvement projects, public works projects, homeland security, library, parks and social service facilities.

Electoral Process

Monitor legislative or other initiatives which may address the integrity of the electoral process. Encourage safeguards ensuring that all eligible voters are provided with the mechanisms to exercise the right to vote. Support initiatives which promote government transparency.

Emergency Preparedness and Homeland Security

Support strategies and legislation that promotes emergency preparedness and recovery efforts. Advocate for ICIS (Interagency Communications Interoperability System) participation among jurisdictions and funding for equipment and operations. Support funding opportunities for UNITE local homeland security programs including new technology and equipment (e.g., closed circuit television) that does not supplant other City funding, services or operations. Seek grants and pilot project/demonstration project funding for City homeland security priorities.

Housing and Land Use

Pursue incentive-based housing legislation to encourage expanding the housing supply in our area including more flexibility for local jurisdictions to work together to provide housing that counts toward RHNA requirements. Prioritize funding for necessary infrastructure. Emphasize local control related to land use planning.

Transportation

Support state and federal legislation that enhances the safety of the City's streets for automobile and pedestrian traffic, including issues related to photo speed radar enforcement, traffic congestion reduction programs and regional transportation improvements. Promote funding, policy goals and visibility for the development of autonomous vehicles.

Environmental Sustainability

Advocate for cost-effective, sustainable, and responsible environmental policy and programs in the areas of energy efficiency, greenhouse gases, climate change, potable water, wastewater, solid waste removal and storm water, among others.

Community Services

Support legislation related to the Internet and filtering in public facilities, funding for literacy and English-as-a-second language programs and protection against censorship and restriction of free speech. Support funding for ADA facility and park upgrades. Promote legislation that provides for increased services to or funding for at-risk populations such as the frail elderly, homeless, disabled and other challenged populations.

Public Health

Continue to promote legislation that enhances the health of the general population, with an emphasis on programs that focus on youth, the elderly and at-risk populations. Monitor opportunities to expand the City's 'Fresh Air Dining' ordinance to other communities or through state legislation.

Pension Reform

Monitor legislative initiatives designed to achieve public employee pension reform. Inform the City Council of future legislative bills, statewide initiatives or other options as they emerge.



CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cindy Owens, Senior Management Analyst

DATE: January 18, 2017

SUBJECT: Equality Act

ATTACHMENT: 1. Sample Proclamation
2. Sample Resolution
3. David Turch and Associates Memo

INTRODUCTION

On January 4, 2017, Richard Noble, who is the Lead National Advocate for the Equality Act in Palm Springs, emailed City Council requesting the Council consider passing a resolution in support of the Equality Act. This Act would amend the 1964 Civil Rights Act to include "sexual orientation, and gender identity" among the categories of prohibited discrimination. The sample Proclamation (Attachment 1) and sample Resolution (Attachment 2) have been provided by Mr. Noble for the City's consideration.

DISCUSSION

Upon receipt of Mr. Noble's email, City staff contacted our federal lobbyist to inquire about the status of the Equality Act legislation. Jaime Jones, who is employed by David Turch and Associates, provided a memo (Attachment 3) to staff which summarizes the Equality Act.

In brief, this legislation was originally introduced in the 114th Congress (2015-2016) in both the Senate and House of Representatives; however, Congress did not consider either measure prior to the end of the 114th Congress. It is Mr. Jones' understanding that the Democrats do intend to reintroduce the legislation in the 115th Congress.

The Equality Act, should it be passed by Congress and signed into law by the President, would become federal law. It would incorporate non-discrimination protections based on sexual orientation and gender identity across the nation into the Civil Rights Act of 1964, the Fair Housing Act, the Equal Credit Opportunity Act, the Jury Selection and Services Act, and several laws regarding employment with the federal government.

RECOMMENDATION

While at this time there is no legislation to directly advocate for, the City could send letters to our Congressional representatives indicating our support for this legislation should it be introduced to the 115th Congress. Furthermore, the City could consider adopting a Proclamation

and/or Resolution supporting the rights of the lesbian, gay, bisexual, transgender, and queer (LGBTQ) community.

Attachment 1

PROCLAMATION

Equality Act

WHEREAS, the Equality Act is supported by the local community of (name of city); and

WHEREAS, it is a unifying principal of our democracy that individuals should be able to fully participate in society. Discrimination undermines both individual and societal stability; and

WHEREAS, the City of (name of city) has a long history of opposing discrimination on the basis of race, disability, color, religion, national origin, sexual orientation, gender identity, and sex; and

WHEREAS, women commonly experience discrimination in government funded programs and public accommodations, including sexual harassment, differential pricing and denial of services in places such as stores, restaurants, and transportation services; and

WHEREAS, lesbian, gay, bisexual, and transgender people commonly experience discrimination in credit, education, employment, housing, government funded programs, jury service, and public accommodations such as stores, restaurants, and transportation services; and

WHEREAS, regular and ongoing discrimination contributes to negative social, health and economic outcomes; and

WHEREAS, states such as California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Minnesota, Nevada, New York, New Mexico, New Jersey, Oregon, Rhode Island, Vermont, and Washington plus the District of Columbia have laws prohibiting discrimination on the basis of sexual orientation, gender identity, and sex in employment, housing, and public accommodations; and

WHEREAS, Members of Congress have carefully crafted a federal solution to discrimination against LGBT people and women, the federal Equality Act.

NOW THEREFORE, I, (name of mayor), Mayor of the City of (name of city), (name of State), do hereby support passage of the Equality Act and call upon the United States Congress to take action forthwith to fulfill this duty and achieve this goal. Presented on this (day, month, year)

EQUALITY ACT DAY

Attachment 2

RESOLUTION SUPPORTING THE PASSAGE OF THE EQUALITY ACT

A RESOLUTION REQUESTING CONGRESS TO PASS THE EQUALITY ACT TO ENSURE THAT FEDERAL CIVIL RIGHTS LAWS ARE FULLY INCLUSIVE OF PROTECTIONS ON THE BASIS OF SEXUAL ORIENTATION, GENDER IDENTITY, AND SEX

WHEREAS, the (City/County/State) has a long history of opposing discrimination on the basis of race, color, religion, national origin, ancestry, disability, age, sexual orientation, gender identity, and sex; and

WHEREAS, it is a unifying principal of our democracy that individuals should be able to fully participate in society. Discrimination undermines both individual and societal stability; and

WHEREAS, lesbian, gay, bisexual, and transgender people commonly experience discrimination in credit, education, employment, housing, government funded programs, jury service, and public accommodations such as stores, restaurants, and transportation services; and

WHEREAS, women commonly experience discrimination in government funded programs and public accommodations, including sexual harassment, differential pricing and denial of services in places such as stores, restaurants, and transportation services; and

WHEREAS, regular and ongoing discrimination contributes to negative social, health and economic outcomes; and

WHEREAS, states such as California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Maine, Maryland, Minnesota, Nevada, New York, New Mexico, New Jersey, Oregon, Rhode Island, Vermont, and Washington plus the District of Columbia have laws prohibiting discrimination on the basis of sexual orientation, gender identity, and sex in employment, housing, and public accommodations; and

WHEREAS, Members of Congress have carefully crafted a federal solution to discrimination against LGBT people and women, the Equality Act.

NOW, THEREFORE, BE IT RESOLVED by the (Government Entity) that:

Section 1. As public officials elected to protect the welfare of the (City/County/State), we find that federal laws fully prohibiting discrimination on the basis of sexual orientation, gender identity, and sex are essential to furthering the wellbeing of the residents and visitors of Palm Springs.

Section 2. We affirm that LGBT people and women have a right to live free from discrimination in the core aspects of their lives included but not limited to, employment, education, housing, public accommodations, all government funded programs and jury service.

Section 3. We call upon Congress to pass the Equality Act to ensure that federal civil rights laws are fully inclusive of protections on the basis of sexual orientation, gender identity and sex.

Section 4. We direct the (Government Official) to send a copy of this resolution, duly adopted, to (Members of Congress representing City/County/State); Senator Merkley, Representative Cicilline, the Director of the LGBT Congressional Equality Caucus and the President of the United States of America and Richard H. Noble.

PASSED and ADOPTED by the City/County/State upon this _____ day of _____ month, (year).

Attachment 3

David Turch and Associates

TO: Cindy Owens
City of Beverly Hills

FROM: Jamie Jones
Jamie.jones@davidturch.com
202-543-3744

DATE: January 5, 2017

RE: The Equality Act

Per your request, the following memo focuses on the Equality Act, a bill (H.R. 3185) that was sponsored by Representative David Cicilline (D-RI) on July 23, 2015. On the Senate side, a companion bill (identical bill), S.1858, was introduced on the same date by Senators Jeff Merkley (D-OR), Tammy Baldwin (D-WI) and Cory Booker (D-NJ). Congress did not consider either measure in the 114th Congress (2015-2016).

Rep. Cicilline, along with his Senate allies, plans on reintroducing the Equality Act in the 115th Congress (date of reintroduction is uncertain). The initiative is mostly supported by congressional Democrats with very few GOP members on board. Representative Ted Lieu (D-CA) was a cosponsor of the House bill. Senators Dianne Feinstein (D-CA) and Barbara Boxer (D-CA) cosponsored the Senate version.

Below please find some background information on the Equality Act which I secured from the Human Rights Campaign (HRC) website. HRC is the lead organization pushing for the enactment of the Equality Act. The summary below provides the basics on the need for the legislation.

Please let me know if you need additional information.

Need For Legislation

Despite significant steps forward, lesbian, gay, bisexual, transgender, and queer (LGBTQ) Americans lack basic legal protections in states across the country. The patchwork nature of current laws leaves millions of people subject to uncertainty and potential discrimination that impacts their safety, their family, and their very way of life.

Our nation's civil rights laws protect people on the basis of race, color, national origin, and in most cases, sex, disability, and religion. But federal law does not provide consistent non-discrimination protections based on sexual orientation or gender identity. The need for these protections is clear—nearly two-thirds of LGBTQ Americans report having experienced discrimination in their personal lives.

Everyone should have a fair chance to earn a living and provide a home for their families without fear of harassment or discrimination.

What is the Equality Act?

The Equality Act would provide consistent and explicit anti-discrimination protections for LGBTQ people across key areas of life, including employment, housing, credit, education, public spaces and services, federally funded programs, and jury service.

The Equality Act would amend existing civil rights law – including the Civil Rights Act of 1964, the Fair Housing Act, the Equal Credit Opportunity Act, the Jury Selection and Services Act, and several laws regarding employment with the federal government – to include sexual orientation and gender identity as protected characteristics. The legislation also amends the Civil Rights Act of 1964 to prohibit discrimination in public spaces and services and federally funded programs on the basis of sex.

Additionally, the Equality Act would update the public spaces and services covered in current law to include retail stores, services such as banks and legal services, and transportation services. These important updates would strengthen existing protections for everyone.

According to HRC, decades of civil rights history show that civil rights laws are effective in decreasing discrimination because they provide strong federal remedies targeted to specific vulnerable groups. By explicitly including sexual orientation and gender identity in these fundamental laws, LGBTQ people will finally be afforded the exact same protections as other covered characteristics under federal law.

Support

The nonpartisan Public Religion Research Institute (PRRI) found that nationally, support for a bill like the Equality Act topped 70 percent, which includes a majority of Democrats, Republicans and Independents. In addition, there is strong business support for non-discrimination protections for LGBTQ people. The legislation has been endorsed by the Business Coalition for the Equality Act, a group of more than 80 major companies with operations in all 50 states, employing more than 5.6 million people in the United States, and a combined revenue of more than \$2.6 trillion.



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

January 18, 2017

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw / Yoder / Antwih, Inc.
Christopher Castrillo, Legislative Advocate, Shaw / Yoder / Antwih, Inc.
Melissa Immel, Legislative Aide, Shaw / Yoder / Antwih, Inc.

Re: Transportation Funding

Attachments: 1. Side by Side Comparison of SB 1, AB 1, and Governor's Proposal
2. City by City Breakdown of Local Streets & Roads Funding
3. Letter of Support SB 1
4. Letter of Support AB 1

Introduction

In 2015, the Governor called for a special legislative session to address the state's transportation and infrastructure funding needs. He also put forth a transportation plan that would have generated approximately \$3.6 billion annually. Legislative leaders established a Special Session Conference Committee on Transportation and Infrastructure Development. Senator Beall and Assembly Member Frazier, chairs of the Senate Transportation and Housing Committee and the Assembly Transportation Committee respectively, introduced identical bills that would have established a \$7.4 billion annual funding package. However, the legislature did not come to any agreement before the Special Session expired at the end of November 2016. Negotiations about a comprehensive transportation funding package are ongoing.

SB 1 (Beall) and AB 1 (Frazier)

Senator Beall and Assembly Member Frazier have each introduced a new proposal for the 2017-18 regular legislative session. SB 1 (Beall) and AB 1 (Frazier) are similar bills that would provide \$6.09 billion per year through a combination of fuel taxes, vehicle registration fees, Cap-and-Trade revenues, and revenue protections. Of the new revenue, cities and counties would collectively receive about \$2.5 billion. The bills vary slightly in the diesel sales tax and the zero emission vehicle fee.

Governor's Proposal

In the Governor's updated transportation funding proposal, which was included in his proposed 2017-18 State Budget, he proposes a combination of a swap-based excise tax on gas, a diesel tax increase, a road improvement charge, Cap-and-Trade revenues, and Caltrans efficiencies to total approximately \$4.2 billion per year.

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Attached to this memo you will find a spreadsheet that compares SB 1 (Beall), AB 1 (Frazier), and the Governor's proposal. Also attached is a city by city breakdown of funding for local streets and roads that municipalities would receive, should AB 1 (Frazier) and/or SB 1 (Beall) pass.

Fix Our Roads

The Fix Our Roads coalition includes business associations, labor unions, transportation entities, elected officials, and local governments, including the League of California Cities. The coalition has allowed stakeholders to come together and voice support for a comprehensive transportation package, guided by the seven priorities listed below.

1. Make a significant investment in transportation infrastructure.
2. Focus on maintaining and rehabilitating the current system.
3. Invest a portion of diesel tax and/or cap-and-trade revenue to high-priority goods movement projects.
4. Raise revenues across a broad range of options.
5. Raise revenues across a broad range of options.
6. Raise revenues across a broad range of options.
7. Raise revenues across a broad range of options.

Recommendations

We have heard that legislative leaders and the Governor want to pass a transportation funding package before the Budget is signed on June 15, 2017. Should the City wish to support SB 1 (Beall) and/or AB 1 (Frazier), included with this memo are draft letters of support. The City may also wish to join the Fix Our Roads group to engage in coalition efforts.

Attachment 1

Transportation Funding Proposals - Comparison Table			
	SB 1 (Beall)	AB 1 (Frazier)	Governor's Proposal
Funding			
Ongoing Sources	<p>*12 cents/gal. tax increase on gas, phased in over 3 years, and establishes swap-based excise tax on gas at 17 cents/gal. (generating approx. \$2.9 billion by year 5, includes end of BOE "true up")</p> <p>*20 cents/gal. tax increase on diesel fuel (generating approx. \$600 million)</p> <p>*Increasing the incremental diesel sales tax to 5.75% (generating approx. \$300 million)</p> <p>*\$38 vehicle registration fee (generating approx. \$1.3 billion)</p> <p>*\$100 zero emission vehicle fee (generating approx. \$13 million)</p> <p>*15% of Cap and Trade revenues (generating approx. \$300 million)</p> <p>*Restoration of truck weight fees (phased in over 5 years) (repurposing approx. \$500 million in year 5)</p> <p>*Miscellaneous transportation revenues (generating approx. \$70 million)</p>	<p>*12 cents/gal. tax increase on gas, and establishes swap-based excise tax on gas at 17 cents/gal. (generating approx. \$2.9 billion annually, includes end of BOE "true up")</p> <p>*20 cents/gal. tax increase on diesel fuel (generating approx. \$600 million)</p> <p>*Tripling of incremental diesel sales tax to 5.25% (generating approx. \$263 million)</p> <p>*\$38 vehicle registration fee (generating approx. \$1.3 billion)</p> <p>*\$165 zero emission vehicle fee (generating approx. \$21 million)</p> <p>*15% of Cap and Trade revenues (generating approx. \$300 million)</p> <p>*Restoration of truck weight fees (phased in over 5 years) (repurposing approx. \$500 million in year 5)</p> <p>*Miscellaneous transportation revenues (generating approx. \$185 million)</p>	<p>*Establishes swap-based excise tax on gas at 21.5 cents/gal. (generating approx. \$1.1 billion annually, includes end of BOE "true up")</p> <p>*11 cents/gal. tax increase on diesel fuel (generating approx. \$425 million)</p> <p>*\$65 road improvement charge (generating approx. \$2.1 billion)</p> <p>*\$400 million in Cap and Trade revenues</p> <p>*Caltrans efficiencies (generating approx. \$185 million)</p>
One-Time Sources	*\$706 million in loan repayment	*\$706 million in loan repayment	*\$706 million in loan repayment
Estimated Annual Funding Increase	Approx. \$6 billion/year	Approx. \$6 billion/year	Approx. \$4.2 billion/year
Expenditures			
Transit and Intercity Rail	<p>*Additional 10% in Cap and Trade Revenues – TIRCP (approx. \$200 million)</p> <p>*Additional 5% in Cap and Trade Revenues – LCTOP (approx. \$100 million)</p> <p>*\$263 million in Additional State Transit Assistance Program Revenues - STA Recipients</p> <p>*\$37 million in Additional State Transit Assistance Program Revenues - Intercity/Commuter Rail</p>	<p>*Additional 10% in Cap and Trade Revenues – TIRCP (approx. \$200 million)</p> <p>*Additional 5% in Cap and Trade Revenues – LCTOP (approx. \$100 million)</p> <p>*\$263 million in Additional State Transit Assistance Program Revenues - STA Recipients</p>	<p>*\$400 million in Cap and Trade Revenues – TIRCP</p> <p>*\$256 million in Loan Repayment – TIRCP (One-Time)</p>
Price-Based Revenues	\$1.1 billion/year allocated by 44%-44%-12% formula (\$480 million in new STIP)	\$1.1 billion/year allocated by 44%-44%-12% formula (\$480 million in new STIP)	\$1.1 billion/year allocated by unknown formula
Self-Help Incentives	\$200 million/year to counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees (from new gas excise tax)	\$200 million/year to counties that have sought and received voter approval of taxes or that have imposed fees, including uniform developer fees (from new gas excise tax)	N/A
Distribution of Remaining New Gas Excise Tax	<p>*50% for maintenance of state highway system</p> <p>*50% for maintenance of local streets & roads</p>	<p>*50% for maintenance of state highway system</p> <p>*50% for maintenance of local streets & roads</p>	N/A
Goods Movement	\$600 million/year to Trade Corridor Improvement Fund (from diesel excise tax)	\$600 million/year to Trade Corridor Improvement Fund (from diesel excise tax)	\$250 million/year
Active Transportation	\$80 million/year and up to an additional \$70 million/year derived from Caltrans efficiencies	\$80 million/year and up to an additional \$70 million/year derived from Caltrans efficiencies	\$100 million/year
Weight Fees	\$500 million/year allocated by 44%-44%-12% formula (\$220 million in new STIP)	\$500 million/year allocated by 44%-44%-12% formula (\$220 million in new STIP)	N/A
Inflation Adjustment	Excise tax, sales tax and fees adjusted annually	Excise tax, sales tax and fees adjusted annually	Excise tax adjusted annually
Other			
Local Streets and Road Fund Flexibility	*Other transportation priorities" allowed if PCI exceeds 80	*Other transportation priorities" allowed if PCI exceeds 80	N/A
Caltrans Accountability	Require Caltrans to identify savings up to \$70,000,000	Require Caltrans to identify savings up to \$70,000,000	Require Caltrans to identify savings up to \$100,000,000
Local Streets and Road Fund Accountability	CTC develops performance criteria	CTC develops performance criteria	N/A
Transit Accountability	Requires transit agencies to submit proposed project lists to Caltrans and Controller to apportion new STA Program funds to only those agencies reporting	Requires transit agencies to submit proposed project lists to Caltrans and Controller to apportion new STA Program funds to only those agencies reporting	N/A
Complete Streets	Requires Caltrans to update the Highway Design Manual to incorporate the "Complete Streets" design concept by January 1, 2018	Requires Caltrans to update the Highway Design Manual to incorporate the "Complete Streets" design concept by July 1, 2017	N/A
Public-Private Partnerships /Alternative Procurement	N/A	N/A	<p>*Extends the statutory authority for public-private partnerships for new transportation projects by 10 years, until 2027</p> <p>*Authorizes a pilot project for job order contracting</p>
CEQA Streamlining and Advanced Mitigation	<p>*Exempts indefinitely a project or activity to repair, maintain, or make minor alterations to an existing roadway or state roadway, from CEQA, if the project or activity is carried out by a city or county with a population of less than 100,000 persons</p> <p>*Establishes an Advanced Mitigation Program designed to provide comprehensive environmental mitigation associated with transportation projects in exchange for streamlined project approvals from federal and state resources agencies</p> <p>*Permanently extends the authority for Caltrans to participate in the federal National Environmental Policy Act delegation pilot program (i.e. NEPA delegation)</p>	<p>*Exempts indefinitely a project or activity to repair, maintain, or make minor alterations to an existing roadway or state roadway, from CEQA, if the project or activity is carried out by a city or county with a population of less than 100,000 persons</p> <p>*Establishes an Advanced Mitigation Program designed to provide comprehensive environmental mitigation associated with transportation projects in exchange for streamlined project approvals from federal and state resources agencies</p> <p>*Permanently extends the authority for Caltrans to participate in the federal National Environmental Policy Act delegation pilot program (i.e. NEPA delegation)</p>	<p>*Exempts a project or activity to repair, maintain, or make minor alterations to an existing roadway or state roadway from CEQA</p> <p>*Establishes an Advanced Mitigation Program designed to provide comprehensive environmental mitigation associated with transportation projects</p> <p>*Permanently extends the authority for Caltrans to participate in the federal National Environmental Policy Act delegation pilot program (i.e. NEPA delegation)</p>
CTC Independence/Authority	Establishes CTC as an independent agency	Establishes CTC as an independent agency	Expands the CTC's oversight to cover each phase of project delivery

Attachment 2

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

	Annual at full Phase-in		One-time Loan Repay	
	\$2.2 Billion*		\$352 Million	
<i>Estimated 15 December 2016</i>				
ALAMEDA COUNTY		34,432,526		5,459,572
ALAMEDA	2,636,402		418,024	
ALBANY	638,649		101,263	
BERKELEY	4,086,116		647,889	
DUBLIN	1,921,073		304,603	
EMERYVILLE	363,616		57,654	
FREMONT	7,793,515		1,235,729	
HAYWARD	5,259,490		833,937	
LIVERMORE	2,958,117		469,035	
NEWARK	1,520,649		241,112	
OAKLAND	14,125,035		2,239,645	
PIEDMONT	382,295		60,616	
PLEASANTON	2,574,893		408,271	
SAN LEANDRO	3,042,433		482,404	
UNION CITY	2,502,445		396,784	
ALPINE COUNTY		662,483		105,042
AMADOR COUNTY		3,159,103		500,903
AMADOR	6,364		1,009	
IONE	272,385		43,189	
JACKSON	159,998		25,369	
PLYMOUTH	34,573		5,482	
SUTTER CREEK	86,036		13,642	
BUTTE COUNTY		11,267,838		1,786,612
BIGGS	60,064		9,524	
CHICO	3,083,473		488,911	
GRIDLEY	233,237		36,982	
OROVILLE	557,188		88,347	
PARADISE	902,503		143,100	
CALAVERAS COUNTY		4,822,368		764,628
ANGELS CAMP	131,961		20,924	
COLUSA COUNTY		3,783,569		599,917
COLUSA	212,975		33,769	
WILLIAMS	182,874		28,996	
CONTRA COSTA COUNTY		28,753,944		4,559,184
ANTIOCH	3,725,528		590,714	
BRENTWOOD	1,943,399		308,143	
CLAYTON	388,315		61,571	
CONCORD	4,336,863		687,647	
DANVILLE	1,503,001		238,314	
EL CERRITO	835,524		132,480	
HERCULES	852,278		135,136	
LAFAYETTE	865,315		137,203	
MARTINEZ	1,286,036		203,912	
MORAGA	566,442		89,814	
OAKLEY	1,334,369		211,576	
ORINDA	640,266		101,520	
PINOLE	651,756		103,341	
PITTSBURG	2,326,451		368,879	
PLEASANT HILL	1,175,197		186,338	
RICHMOND	3,692,779		585,522	
SAN PABLO	1,022,733		162,163	
SAN RAMON	2,702,554		428,513	
WALNUT CREEK	2,300,307		364,733	

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

	Annual at full Phase-in \$2.2 Billion*	One-time Loan Repay \$352 Million
<i>Estimated 15 December 2016</i>		
DEL NORTE COUNTY	1,968,330	312,096
CRESCENT CITY	262,925	41,689
EL DORADO COUNTY	10,158,020	1,610,641
PLACERVILLE	367,159	58,216
SOUTH LAKE TAHOE	747,803	118,571
FRESNO COUNTY	34,518,947	5,473,275
CLOVIS	3,589,336	569,120
COALINGA	568,609	90,158
FIREBAUGH	267,603	42,431
FOWLER	204,925	32,493
FRESNO	17,893,839	2,837,221
HURON	234,510	37,184
KERMAN	492,412	78,076
KINGSBURG	402,867	63,878
MENDOTA	385,666	61,151
ORANGE COVE	321,922	51,043
PARLIER	519,279	82,336
REEDLEY	876,805	139,025
SANGER	864,421	137,061
SAN JOAQUIN	139,013	22,042
SELMA	822,590	130,429
GLENN COUNTY	4,592,133	728,122
ORLAND	268,807	42,622
WILLOWS	213,491	33,851
HUMBOLDT COUNTY	8,961,385	1,420,904
ARCATA	615,704	97,625
BLUE LAKE	43,345	6,873
EUREKA	935,390	148,314
FERNDALE	47,163	7,478
FORTUNA	413,909	65,629
RIO DELL	115,999	18,393
TRINIDAD	12,625	2,002
IMPERIAL COUNTY	15,599,193	2,473,386
BRAWLEY	903,810	143,307
CALEXICO	1,411,564	223,816
CALIPATRIA	265,057	42,027
EL CENTRO	1,542,769	244,619
HOLTVILLE	214,867	34,069
IMPERIAL	600,155	95,160
WESTMORLAND	80,257	12,725
INYO COUNTY	5,534,386	877,524
BISHOP	133,509	21,169
KERN COUNTY	32,486,391	5,150,995
ARVIN	691,901	109,707
BAKERSFIELD	12,711,235	2,015,475
CALIFORNIA CITY	485,738	77,018
DELANO	1,824,648	289,314
MARICOPA	40,214	6,376
MCFARLAND	482,883	76,565
RIDGECREST	977,634	155,012
SHAFTER	618,181	98,018
TAFT	325,293	51,578
TEHACHAPI	495,852	78,622
WASCO	898,891	142,527

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

<i>Estimated 15 December 2016</i>	Annual at full Phase-in	One-time Loan Repay
	\$2.2 Billion*	\$352 Million
KINGS COUNTY	6,804,802	1,078,960
AVENAL	533,383	84,572
CORCORAN	853,585	135,343
HANFORD	1,919,697	304,384
LEMOORE	871,198	138,136
LAKE COUNTY	4,814,242	763,339
CLEARLAKE	524,611	83,182
LAKEPORT	163,507	25,925
LASSEN COUNTY	4,680,750	742,173
SUSANVILLE	617,390	97,892
LOS ANGELES COUNTY	208,045,885	32,987,456
AGOURA HILLS	714,400	113,274
ALHAMBRA	2,942,809	466,608
ARCADIA	1,987,019	315,059
ARTESIA	579,618	91,903
AVALON	132,099	20,945
AZUSA	1,700,255	269,590
BALDWIN PARK	2,650,472	420,255
BELL	1,243,070	197,099
BELLFLOWER	2,686,902	426,031
BELL GARDENS	1,474,930	233,863
BEVERLY HILLS	1,198,280	189,998
BRADBURY	37,394	5,929
BURBANK	3,649,365	578,638
CALABASAS	832,910	132,065
CARSON	3,204,357	508,078
CERRITOS	1,718,935	272,552
CLAREMONT	1,248,127	197,901
COMMERCE	449,273	71,236
COMPTON	3,388,676	537,304
COVINA	1,681,369	266,595
CUDAHY	834,905	132,381
CULVER CITY	1,368,219	216,943
DIAMOND BAR	1,949,419	309,097
DOWNEY	3,918,241	621,271
DUARTE	751,277	119,121
EL MONTE	3,982,708	631,492
EL SEGUNDO	584,812	92,727
GARDENA	2,078,285	329,530
GLENDALE	6,852,002	1,086,444
GLENDORA	1,770,364	280,706
HAWAIIAN GARDENS	500,358	79,336
HAWTHORNE	3,015,463	478,127
HERMOSA BEACH	680,171	107,847
HIDDEN HILLS	65,396	10,369
HUNTINGTON PARK	2,040,375	323,519
INDUSTRY	15,136	2,400
INGLEWOOD	3,864,335	612,723
IRWINDALE	50,672	8,035
LA CANADA FLINTRIDGE	708,379	112,320
LA HABRA HEIGHTS	187,105	29,667
LAKEWOOD	2,807,132	445,095

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

	Annual at full Phase-in	One-time Loan Repay
<i>Estimated 15 December 2016</i>	\$2.2 Billion*	\$352 Million
LA MIRADA	1,703,558	270,114
LANCASTER	5,531,084	877,001
LA PUENTE	1,399,765	221,945
LA VERNE	1,136,668	180,228
LAWDALE	1,149,087	182,198
LOMITA	713,230	113,089
LONG BEACH	16,263,934	2,578,786
LOS ANGELES	136,124,370	21,583,684
LYNWOOD	2,455,557	389,350
MALIBU	444,973	70,554
MANHATTAN BEACH	1,230,273	195,070
MAYWOOD	959,229	152,094
MONROVIA	1,286,793	204,032
MONTEBELLO	2,205,223	349,657
MONTEREY PARK	2,135,011	338,524
NORWALK	3,686,587	584,540
PALMDALE	5,401,221	856,410
PALOS VERDES ESTATES	472,322	74,891
PARAMOUNT	1,902,428	301,646
PASADENA	4,868,045	771,870
PICO RIVERA	2,207,906	350,082
POMONA	5,243,322	831,374
RANCHO PALOS VERDES	1,464,232	232,166
REDONDO BEACH	2,342,516	371,426
ROLLING HILLS ^(a)		
ROLLING HILLS ESTATES	282,877	44,853
ROSEMEAD	1,892,624	300,092
SAN DIMAS	1,194,152	189,343
SAN FERNANDO	844,813	133,952
SAN GABRIEL	1,393,814	221,001
SAN MARINO	461,451	73,167
SANTA CLARITA	7,335,298	1,163,074
SANTA FE SPRINGS	606,381	96,147
SANTA MONICA	3,209,002	508,815
SIERRA MADRE	382,983	60,725
SIGNAL HILL	398,532	63,191
SOUTH EL MONTE	716,945	113,678
SOUTH GATE	3,321,285	526,618
SOUTH PASADENA	900,404	142,767
TEMPLE CITY	1,247,886	197,863
TORRANCE	5,105,994	809,599
VERNON	4,231	671
WALNUT	1,040,862	165,038
WEST COVINA	3,729,071	591,276
WEST HOLLYWOOD	1,232,405	195,408
WESTLAKE VILLAGE	289,757	45,943
WHITTIER	2,991,073	474,260

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

Annual at full Phase-in One-time Loan Repay

Estimated 15 December 2016

	\$2.2 Billion*	\$352 Million
MADERA COUNTY	9,865,041	1,564,187
CHOWCHILLA	643,981	102,109
MADERA	2,200,304	348,877
MARIN COUNTY	7,817,857	1,239,588
BELVEDERE	72,964	11,569
CORTE MADERA	326,497	51,769
FAIRFAX	262,615	41,640
LARKSPUR	424,746	67,347
MILL VALLEY	496,712	78,758
NOVATO	1,843,018	292,226
ROSS	85,761	13,598
SAN ANSELMO	435,857	69,109
SAN RAFAEL	2,037,004	322,984
SAUSALITO	251,125	39,818
TIBURON	316,487	50,182
MARIPOSA COUNTY	3,087,484	489,547
MENDOCINO COUNTY	7,211,969	1,143,519
FORT BRAGG	252,604	40,053
POINT ARENA	15,480	2,455
UKIAH	552,991	87,682
WILLITS	168,632	26,738
MERCED COUNTY	13,041,370	2,067,821
ATWATER	998,412	158,307
DOS PALOS	172,795	27,398
GUSTINE	193,263	30,644
LIVINGSTON	472,494	74,918
LOS BANOS	1,277,814	202,608
MERCED	2,811,295	445,755
MODOC COUNTY	4,521,308	716,892
ALTURAS	97,251	15,420
MONO COUNTY	3,348,365	530,912
MAMMOTH LAKES	289,310	45,873
MONTEREY COUNTY	14,225,669	2,255,602
CARMEL-BY-THE-SEA	128,899	20,438
DEL REY OAKS	57,105	9,055
GONZALES	287,487	45,583
GREENFIELD	580,340	92,018
KING CITY	461,554	73,183
MARINA	775,805	123,010
MONTEREY	968,827	153,616
PACIFIC GROVE	529,358	83,934
SALINAS	5,322,478	843,924
SAND CITY	12,453	1,975
SEASIDE	1,158,341	183,665
SOLEDAD	885,405	140,389
NAPA COUNTY	5,506,018	873,026
AMERICAN CANYON	693,140	109,903
CALISTOGA	180,982	28,696
NAPA	2,716,659	430,749
SAINT HELENA	208,640	33,082
YOUNTVILLE	103,787	16,456

Local Streets & Roads Funding **AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions**

<i>Estimated 15 December 2016</i>	Annual at full Phase-in	One-time Loan Repay
	\$2.2 Billion*	\$352 Million
NEVADA COUNTY	5,638,726	894,068
GRASS VALLEY	444,629	70,500
NEVADA CITY	109,876	17,422
TRUCKEE	557,670	88,423
ORANGE COUNTY	71,040,027	11,264,004
ALISO VIEJO	1,727,053	273,839
ANAHEIM	12,089,545	1,916,901
BREA	1,490,514	236,334
BUENA PARK	2,847,244	451,455
COSTA MESA	3,902,933	618,843
CYPRESS	1,691,965	268,275
DANA POINT	1,176,780	186,588
FOUNTAIN VALLEY	1,961,563	311,023
FULLERTON	4,851,945	769,317
GARDEN GROVE	6,012,350	953,310
HUNTINGTON BEACH	6,824,723	1,082,118
IRVINE	8,613,388	1,365,726
LAGUNA BEACH	803,429	127,390
LAGUNA HILLS	1,066,216	169,058
LAGUNA NIGUEL	2,230,404	353,650
LAGUNA WOODS	572,841	90,829
LA HABRA	2,135,562	338,612
LAKE FOREST	2,754,465	436,744
LA PALMA	549,207	87,082
LOS ALAMITOS	405,206	64,249
MISSION VIEJO	3,324,898	527,191
NEWPORT BEACH	3,001,428	475,902
ORANGE	4,819,333	764,147
PLACENTIA	1,803,526	285,964
RANCHO SANTA MARGARITA	1,689,935	267,954
SAN CLEMENTE	2,249,772	356,721
SAN JUAN CAPISTRANO	1,246,097	197,579
SANTA ANA	11,533,320	1,828,707
SEAL BEACH	849,147	134,640
STANTON	1,349,161	213,921
TUSTIN	2,738,331	434,186
VILLA PARK	205,028	32,509
WESTMINSTER	3,168,512	502,395
YORBA LINDA	2,329,582	369,375
PLACER COUNTY	14,642,375	2,321,674
AUBURN	475,349	75,371
COLFAX	68,595	10,876
LINCOLN	1,576,825	250,019
LOOMIS	227,836	36,125
ROCKLIN	2,072,712	328,646
ROSEVILLE	4,416,432	700,263

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

<i>Estimated 15 December 2016</i>	Annual at full Phase-in	One-time Loan Repay
	\$2.2 Billion*	\$352 Million
PLUMAS COUNTY	3,719,520	589,762
PORTOLA	72,379	11,476
RIVERSIDE COUNTY	57,105,281	9,054,531
BANNING	1,048,912	166,314
BEAUMONT	1,461,377	231,714
BLYTHE	716,120	113,547
CALIMESA	287,349	45,562
CANYON LAKE	375,002	59,460
CATHEDRAL CITY	1,819,901	288,561
COACHELLA	1,510,776	239,546
CORONA	5,513,987	874,290
DESERT HOT SPRINGS	967,830	153,458
EASTVALE	2,085,818	330,724
HEMET	2,829,562	448,651
INDIAN WELLS	178,677	28,331
INDIO	2,896,574	459,277
JURUPA VALLEY	3,741,903	593,311
LAKE ELSINORE	2,009,896	318,686
LA QUINTA	1,365,502	216,512
MENIFEE	2,937,305	465,735
MORENO VALLEY	6,903,191	1,094,560
MURRIETA	3,690,474	585,156
NORCO	930,986	147,616
PALM DESERT	1,756,259	278,470
PALM SPRINGS	1,603,452	254,241
PERRIS	2,508,087	397,679
RANCHO MIRAGE	615,394	97,576
RIVERSIDE	10,915,586	1,730,760
SAN JACINTO	1,578,821	250,336
TEMECULA	3,746,925	594,107
WILDOMAR	1,174,715	186,261
SACRAMENTO COUNTY	42,468,255	6,733,705
CITRUS HEIGHTS	2,929,117	464,437
ELK GROVE	5,603,841	888,537
FOLSOM	2,576,923	408,593
GALT	846,498	134,220
ISLETON	28,209	4,473
RANCHO CORDOVA	2,377,502	376,973
SACRAMENTO	16,515,953	2,618,746
SAN BENITO COUNTY	3,192,214	506,153
HOLLISTER	1,283,319	203,481
SAN JUAN BAUTISTA	66,393	10,527

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

	Annual at full Phase-in \$2.2 Billion*	One-time Loan Repay \$352 Million
<i>Estimated 15 December 2016</i>		
SAN BERNARDINO COUNTY	55,285,882	8,766,050
ADELANTO	1,138,113	180,458
APPLE VALLEY	2,456,073	389,431
BARSTOW	805,217	127,674
BIG BEAR LAKE	177,680	28,173
CHINO	2,905,656	460,717
CHINO HILLS	2,669,358	423,249
COLTON	1,836,448	291,184
FONTANA	7,028,478	1,114,425
GRAND TERRACE	424,918	67,374
HESPERIA	3,170,954	502,782
HIGHLAND	1,869,059	296,355
LOMA LINDA	817,051	129,550
MONTCLAIR	1,322,983	209,770
NEEDLES	169,940	26,945
ONTARIO	5,806,049	920,599
RANCHO CUCAMONGA	5,987,925	949,437
REDLANDS	2,421,741	383,988
RIALTO	3,512,037	556,864
SAN BERNARDINO	7,359,447	1,166,903
TWENTYNINE PALMS	889,121	140,978
UPLAND	2,607,127	413,382
VICTORVILLE	4,168,265	660,914
YUCAIPA	1,821,242	288,774
YUCCA VALLEY	734,627	116,481
SAN DIEGO COUNTY	79,580,992	12,618,247
CARLSBAD	3,806,542	603,560
CHULA VISTA	8,875,005	1,407,208
CORONADO	808,314	128,165
DEL MAR	145,790	23,116
EL CAJON	3,489,746	553,329
ENCINITAS	2,116,263	335,552
ESCONDIDO	5,067,018	803,419
IMPERIAL BEACH	920,597	145,969
LA MESA	2,023,209	320,797
LEMON GROVE	901,264	142,903
NATIONAL CITY	2,058,091	326,328
OCEANSIDE	5,905,983	936,444
POWAY	1,687,045	267,495
SAN DIEGO	47,062,271	7,462,126
SAN MARCOS	3,124,513	495,418
SANTEE	1,919,732	304,390
SOLANA BEACH	450,787	71,476
VISTA	3,316,676	525,887
SAN FRANCISCO COUNTY	16,187,073	2,566,599
SAN FRANCISCO	29,089,310	4,612,359
SAN JOAQUIN COUNTY	22,971,301	3,642,296
ESCALON	255,012	40,434
LATHROP	700,158	111,016
LODI	2,191,979	347,557
MANTECA	2,538,325	402,473
RIPON	513,327	81,392
STOCKTON	10,560,984	1,674,534
TRACY	2,934,243	465,249

Local Streets & Roads Funding **AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions** Annual at full Phase-in One-time Loan Repay

Estimated 15 December 2016

	\$2.2 Billion*	\$352 Million
SAN LUIS OBISPO COUNTY	13,226,386	2,097,157
ARROYO GRANDE	599,536	95,061
ATASCADERO	1,003,434	159,103
EL PASO DE ROBLES	1,049,978	166,483
GROVER BEACH	452,576	71,760
MORRO BAY	353,777	56,094
PISMO BEACH	265,264	42,060
SAN LUIS OBISPO	1,575,621	249,828
SAN MATEO COUNTY	19,335,542	3,065,816
ATHERTON	238,569	37,827
BELMONT	920,150	145,898
BRISBANE	156,214	24,769
BURLINGAME	1,028,237	163,036
COLMA	61,646	9,775
DALY CITY	3,639,939	577,144
EAST PALO ALTO	1,002,334	158,929
FOSTER CITY	1,114,239	176,672
HALF MOON BAY	414,563	65,733
HILLSBOROUGH	392,856	62,291
MENLO PARK	1,144,615	181,488
MILLBRAE	787,707	124,898
PACIFICA	1,326,182	210,277
PORTOLA VALLEY	155,732	24,693
REDWOOD CITY	2,815,285	446,388
SAN BRUNO	1,527,701	242,230
SAN CARLOS	1,013,067	160,630
SAN MATEO	3,489,230	553,247
SOUTH SAN FRANCISCO	2,277,086	361,052
WOODSIDE	190,546	30,213
SANTA BARBARA COUNTY	13,490,960	2,139,107
BUELLTON	169,630	26,896
CARPINTERIA	466,026	73,892
GOLETA	1,058,338	167,809
GUADALUPE	247,857	39,300
LOMPOC	1,495,709	237,157
SANTA BARBARA	3,133,492	496,842
SANTA MARIA	3,511,865	556,836
SOLVANG	188,826	29,940
SANTA CLARA COUNTY	43,257,742	6,858,885
CAMPBELL	1,439,911	228,310
CUPERTINO	2,055,649	325,941
GILROY	1,823,238	289,090
LOS ALTOS	1,033,260	163,832
LOS ALTOS HILLS	286,936	45,496
LOS GATOS	1,049,394	166,390
MILPITAS	2,497,698	396,031
MONTE SERENO	118,717	18,824
MORGAN HILL	1,437,227	227,885
MOUNTAIN VIEW	2,680,297	424,984
PALO ALTO	2,302,508	365,082
SAN JOSE	34,967,600	5,544,412
SANTA CLARA	4,161,557	659,851
SARATOGA	1,059,507	167,994
SUNNYVALE	5,092,268	807,423

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

Annual at full Phase-in One-time Loan Repay

Estimated 15 December 2016

\$2.2 Billion*

\$352 Million

SANTA CRUZ COUNTY	8,919,499	1,414,263
CAPITOLA	345,796	54,829
SANTA CRUZ	2,194,387	347,939
SCOTTS VALLEY	410,332	65,062
WATSONVILLE	1,791,830	284,110
SHASTA COUNTY	10,413,161	1,651,096
ANDERSON	353,261	56,013
REDDING	3,134,249	496,962
SHASTA LAKE	349,649	55,440
SIERRA COUNTY	1,806,629	286,456
LOYALTON	26,454	4,195
SISKIYOU COUNTY	7,460,749	1,182,966
DORRIS	32,302	5,122
DUNSMUIR	56,761	9,000
ETNA	25,491	4,042
FORT JONES	28,862	4,576
MONTAGUE	49,640	7,871
MOUNT SHASTA	116,756	18,513
TULELAKE	34,848	5,525
WEED	102,067	16,184
YREKA	270,011	42,813
SOLANO COUNTY	12,505,632	1,982,875
BENICIA	952,521	151,030
DIXON	659,049	104,498
FAIRFIELD	3,849,130	610,312
RIO VISTA	281,845	44,689
SUISUN CITY	993,768	157,570
VACAVILLE	3,257,816	516,555
VALLEJO	4,117,180	652,814
SONOMA COUNTY	18,774,653	2,976,882
CLOVERDALE	299,561	47,498
COTATI	252,708	40,069
HEALDSBURG	402,041	63,747
PETALUMA	2,048,218	324,763
ROHNERT PARK	1,413,078	224,056
SANTA ROSA	5,953,765	944,020
SEBASTOPOL	258,246	40,947
SONOMA	376,103	59,634
WINDSOR	940,343	149,099
STANISLAUS COUNTY	18,456,241	2,926,395
CERES	1,616,455	256,303
HUGHSON	248,442	39,393
MODESTO	7,196,147	1,141,011
NEWMAN	369,911	58,653
OAKDALE	749,007	118,761
PATTERSON	725,649	115,058
RIVERBANK	807,901	128,100
TURLOCK	2,443,930	387,506
WATERFORD	298,805	47,378

Local Streets & Roads Funding

AB1 (Frazier) and SB1 (Beall) – 12Dec2016 versions

<i>Estimated 15 December 2016</i>		Annual at full Phase-in	One-time Loan Repay
		\$2.2 Billion*	\$352 Million
SUTTER COUNTY		5,682,202	900,962
LIVE OAK	293,988		46,614
YUBA CITY	2,282,934		361,979
TEHAMA COUNTY		6,468,858	1,025,693
CORNING	263,613		41,798
RED BLUFF	490,554		77,782
TEHAMA	14,448		2,291
TRINITY COUNTY		3,464,085	549,260
TULARE COUNTY		22,396,312	3,551,127
DINUBA	824,447		130,723
EXETER	363,684		57,665
FARMERSVILLE	375,243		59,498
LINDSAY	436,132		69,152
PORTERVILLE	1,921,349		304,646
TULARE	2,145,332		340,161
VISALIA	4,497,996		713,196
WOODLAKE	264,954		42,011
TUOLUMNE COUNTY		4,525,459	717,550
SONORA	168,667		26,744
VENTURA COUNTY		21,817,445	3,459,343
CAMARILLO	2,310,145		366,293
FILLMORE	531,181		84,223
MOORPARK	1,229,034		194,874
OJAI	261,858		41,520
OXNARD	7,091,638		1,124,440
PORT HUENEME	783,235		124,189
SAN BUENAVENTURA	3,761,305		596,387
SANTA PAULA	1,051,148		166,669
SIMI VALLEY	4,351,105		689,905
THOUSAND OAKS	4,449,698		705,538
YOLO COUNTY		7,964,748	1,262,879
DAVIS	2,296,488		364,128
WEST SACRAMENTO	1,763,793		279,665
WINTERS	239,223		37,931
WOODLAND	1,978,901		313,772
YUBA COUNTY		4,530,673	718,377
MARYSVILLE	415,285		65,847
WHEATLAND	118,889		18,851
Total		\$ 1,110,000,000	\$ 176,000,000
		\$ 1,110,000,000	\$ 176,000,000

*Includes \$770 million returned HUTA funds and \$1.45 billion new RMRA allocations to LSR at full implementation (Yr5)

Attachment 3

January 12, 2017

The Honorable Jim Beall
Chair, Senate Transportation and Housing Committee
State Capitol, Room 2082
Sacramento, CA 95814

RE: SB 1 (Beall); Transportation Funding
City of Beverly Hills: **SUPPORT**

Dear Senator Beall:

The City of Beverly Hills is pleased to convey our **SUPPORT** of SB 1 (Beall). This bill would establish a multi-faceted transportation funding package, resulting in an additional \$6.09 billion per year. The bill also provides funding for transit and intercity rail, and up to \$150 million to support active transportation programs throughout the state.

The City of Beverly Hills has 68.6 miles of residential streets, 23.1 miles of arterial streets, 18.5 miles of collector streets, and 42.0 miles of alleys. We invest a significant amount of resources to maintain our local streets & roads and we actively manage our network through our pavement management program with the ongoing goal of ensuring a state of good repair. The City uses a combination of existing surveyed pavement defects, road classification, and traffic volumes to assign a pavement condition index (PCI) to each street which is used to determine the most cost effective maintenance treatment needed.

SB 1 (Beall), through a combination of fuel taxes, vehicle registration fees, cap and trade revenues, and revenue protections, would provide billions of dollars over the next ten years to cities and counties and reestablish the state transportation improvement program (STIP). Of the new revenue generated, approximately \$2.5 billion would be distributed to cities and counties and substantial investments would be made in our city network.

We **SUPPORT** SB 1 and appreciate your efforts to provide both state and local agencies the additional resources necessary to address our transportation infrastructure needs.

Sincerely,

John A. Mirisch, Mayor
City of Beverly Hills

Cc: Assembly Member Richard Bloom
Senator Ben Allen

Attachment 4

January 12, 2017

The Honorable Jim Frazier
Chair, Assembly Transportation Committee
State Capitol, Room 3
Sacramento, CA 95814

RE: AB 1 (Frazier); Transportation Funding
City of Beverly Hills: **SUPPORT**

Dear Assemblyman Frazier:

The City of Beverly Hills is pleased to convey our **SUPPORT** of AB 1 (Frazier). This bill would establish a multi-faceted transportation funding package, resulting in an additional \$6.09 billion per year. The bill also provides funding for transit and intercity rail, and up to \$150 million to support active transportation programs throughout the state.

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AB 1 (Frazier), through a combination of fuel taxes, vehicle registration fees, cap and trade revenues, and revenue protections, would provide billions of dollars over the next ten years to cities and counties and reestablish the state transportation improvement program (STIP). Of the new revenue generated, approximately \$2.5 billion would be distributed to cities and counties and substantial investments would be made in our city network.

We **SUPPORT** AB 1 and appreciate your efforts to provide both state and local agencies the additional resources necessary to address our transportation infrastructure needs.

Sincerely,

John A. Mirisch, Mayor
City of Beverly Hills

Cc: Assembly Member Richard Bloom
Senator Ben Allen



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

January 18, 2017

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw / Yoder / Antwih, Inc.
Christopher Castrillo, Legislative Advocate, Shaw / Yoder / Antwih, Inc.
Melissa Immel, Legislative Aide, Shaw / Yoder / Antwih, Inc.

Re: Governor's 2017-2018 Budget Proposal

Attachment: 1. Summary of the Governor's 2017-2018 Budget Proposal

Overview

The Governor released his proposed 2017-2018 State Budget on January 10, 2017. In Governor Brown's 2017-18 Proposed Budget, his Department of Finance expects General Fund State Revenues to be about \$125 billion, and the Governor proposes to spend about \$122.5 billion from the General Fund. Please note there are also Special Funds and Bond Funds that increase the overall size of the budget. General Fund spending remains flat this year compared to 2016-17, while overall budget spending grows by \$8.5 billion over last year in special funds. The Legislative Analyst's Office will release its revenue estimates soon, which often differ from the Department of Finance's projections.

The proposed budget notes that revenues are expected to continue to increase, although at a reduced rate. Consequently, the budget projects a \$1.6 billion deficit in the coming year – the first deficit in four years – without "corrective action." In a recurring theme, Governor Brown's 2017-18 Proposed Budget emphasizes preparation for an inevitable recession. As such, the Governor is proposing to deposit an additional \$1.15 billion to the state's Rainy Day Fund, bringing the total to \$7.9 billion by the end of Fiscal Year 2017-18, reaching 63% of the constitutional target.

To bring the budget into balance, the proposal includes \$3.2 billion in "budget solutions." These proposed actions include tempering K-14 spending under Proposition 98, while still growing funding by \$2.1 billion. The budget proposes eliminating the authority to spend one-time funding proposed in the 2016-17 Budget, which includes the elimination of both the \$400 million set-aside for affordable housing that was never spent, as well as the \$300 million for modernizing state office buildings.

The Governor emphasizes the need to strengthen infrastructure, with a focus on transportation infrastructure. The budget provides an updated transportation funding proposal of \$4.2 billion to maintain highways and local roads, expand public transit, and improve goods movement.

The Governor is also proposing two-thirds urgency legislation to confirm the continuation of the Cap-and-Trade program beyond 2020. Based on this approval, the budget proposes \$2.2 billion in expenditures from auction proceeds.

Tel: 916.446.4656
Fax: 916.446.4318
1415 L Street, Suite 200
Sacramento, CA 95814

The budget plans for a growth in K-14 education funding to \$73.5 billion in 2017-18, an increase of about \$3,900 per student over 2011-12 levels. The proposal takes into account an expansion of Medi-Cal enrollment to 4.1 million Californians, increasing the General Fund expenditures to nearly \$1.6 billion.

During his press conference upon release of the proposed budget, Governor Brown noted, "The incoming presidential administration and leaders in Congress have suggested major changes to the Affordable Care Act. At this point, it is not clear what those changes will be or when they will take effect. As such, the Budget continues to reflect existing state and federal law."

Additionally, the budget provides the first cost-of-living adjustment for SSI/SSP recipients since 2005, repeals the maximum family grant rule in CalWORKs, and increases child care and early education provider rates and children served. Further, the Governor proposes no expenditure of Proposition 51 funds until changes are made to the allocation process.

Attachment 1



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

January 10, 2017

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw / Yoder / Antwih, Inc.
Christopher Castrillo, Legislative Advocate, Shaw / Yoder / Antwih, Inc.
Melissa Immel, Legislative Aide, Shaw / Yoder / Antwih, Inc.

Re: Governor's 2017-2018 Budget Proposal

Overview

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The proposed budget notes that revenues are expected to continue to increase, although at a reduced rate. Consequently, the budget projects a \$1.6 billion deficit in the coming year – the first deficit in four years – without "corrective action." In a recurring theme, Governor Brown's 2017-18 Proposed Budget emphasizes preparation for an inevitable recession. As such, the Governor is proposing to deposit an additional \$1.15 billion to the state's Rainy Day Fund, bringing the total to \$7.9 billion by the end of Fiscal Year 2017-18, reaching 63% of the constitutional target.

To bring the budget into balance, the proposal includes \$3.2 billion in "budget solutions." These proposed actions include tempering K-14 spending under Proposition 98, while still growing funding by \$2.1 billion. The budget proposes eliminating the authority to spend one-time funding proposed in the 2016-17 Budget, which includes the elimination of both the \$400 million set-aside for affordable housing that was never spent, as well as the \$300 million for modernizing state office buildings.

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On the following pages please find some budget highlights of particular interest to the City.

Local Government and Housing & Homelessness

The section of the Governor's Budget on "Housing and Local Government" leads out by identifying a severe shortage of housing, particularly affordable housing. He notes that though demand has increased steadily, construction rates continue to lag due to a number of barriers, "including local zoning and permitting decisions surrounding housing production."

The Governor also notes that the housing shortage directly impacts the number of individuals experiencing homelessness in California as well.

He concludes and introduces his policy proposals to deal with these dynamics by noting that, although the state has a number of policies and programs in place to construct affordable housing and assist the homeless, "policy changes that lead to an increase in the housing supply are the most effective long-term solution for reducing housing costs for all Californians."

- **Local Decisions Drive Per-Unit Costs**

The Governor notes that local governments have primary control over land-use and housing-related decisions, and can enact policies that either encourage or discourage housing construction, which impacts housing costs for all Californians. He states, "To address the statewide housing shortage more units need to be built at a lower per-unit cost. Local factors that drive up per-unit costs include permitting and impact fees, delays in permit approvals, and parking requirements. These cost drivers can add tens of thousands of dollars to the cost of constructing housing."

- **Funding for Affordable Housing**

The Governor's Budget reflects \$3.2 billion in state and federal funding and award authority. These programs provide grants and loans to construct affordable housing, assist first-time homeowners with down payments, and offer various supports for individuals and families experiencing homelessness.

The Governor notes that previous affordable housing programs "have come at a significant cost to the General Fund." Specifically, the state continues to pay debt service on the Housing and Emergency Shelter Trust Fund Act of 2002 (Proposition 46) and the Housing and Emergency

Shelter Trust Fund Act of 2006 (Proposition 1C). Though the funding provided by these bonds has been expended for the construction or rehabilitation of approximately 80,000 affordable units, the state must pay debt service totaling \$355 million General Fund in 2017-18 and a total of \$10.7 billion over the life of the bonds.

The Governor states, "Issuing further General Obligation bonds would be an inefficient and ineffective use of General Fund resources."

- **Recent Policy Changes**

Governor Brown summarizes the Administration's proposed legislation from 2016 to increase the housing supply through a streamlined permit approval process that would have eliminated duplicative administrative barriers, such as discretionary local government reviews for housing developments consistent with objective general plan and zoning standards – i.e., the so-called "By Right" proposal.

He goes on to note that, "As the streamlining of the local approval process was not adopted and the General Fund's condition has deteriorated, **the one-time \$400 million General Fund set-aside is no longer available.** [*emphasis added*] However, the Administration and Legislature approved measures that facilitate affordable housing development at the local level and assist individuals and families experiencing and at risk of homelessness:

- The No Place Like Home Program (AB 1618 and AB 1628)—Authorizes a \$2 billion bond secured by a portion of future Proposition 63 Mental Health Services Act revenues, subject to court validation, to address homelessness for individuals with mental health needs through the provision of permanent supportive housing.
- 2016 Budget Act—Includes \$149.4 million General Fund (\$100 million one-time) in new funding for housing and homelessness programs, including \$35 million for the new California Emergency Solutions Grant program and \$10 million for the Homeless Youth and Exploitation Emergency Services Pilot Projects to rapidly rehouse individuals, youth, and families experiencing homelessness.
- Homelessness (SB 1380 and AB 2176)—Creates a Homeless Coordinating and Financing Council and authorizes emergency bridge housing communities in the City of San Jose.
- Density Bonus Law (AB 2442, AB 2501, and AB 2556)—Expands and clarifies various provisions that provide size and other bonuses to housing developers that meet affordability requirements.
- Accessory Dwelling Units (SB 1069 and AB 2299)—Streamlines permits and requires local ordinances to facilitate the development of these low-cost housing options that provide additional living quarters on single-family lots that are independent of the primary dwelling unit.
- Affordable Housing Beneficiary Districts (AB 2031)—Allows a local government, with an existing successor agency to a former redevelopment agency, to bond against the property tax revenues it receives as a result of redevelopment agency dissolution, provided the funding is for affordable housing purposes.

Housing Policy Principles

The Governor notes that the Administration is committed to working with the Legislature on the development of a legislative package to further address the state's housing shortage and affordability pressures. He then goes on to enumerate the elements of such a package, which he says should include additional reforms and any new funding should not rely on the General Fund.

He notes that because it is counterproductive to develop a new funding source for affordable housing under a system that increases time, risk, and cost, the Administration puts forth the following principles:

- **Streamline Housing Construction**—Reduce local barriers to limit delays and duplicative reviews, maximize the impact of all public investments, and temper rents through housing supply increases.
- **Lower Per-Unit Costs**—Reduce permit and construction policies that drive up unit costs.
- **Production Incentives**—Those jurisdictions that meet or exceed housing goals, including affordable housing, should be rewarded with funding and other regulatory benefits. Those jurisdictions that do not build enough to increase
- **Density Bonus Law (AB 2442, AB 2501, and AB 2556)**—Expands and clarifies various provisions that provide size and other bonuses to housing developers that meet affordability requirements.
- **Accessory Dwelling Units (SB 1069 and AB 2299)**—Streamlines permits and requires local ordinances to facilitate the development of these low cost housing options that provide additional living quarters on single family lots that are independent of the primary dwelling unit.
- **Affordable Housing Beneficiary Districts (AB 2031)**—Allows a local government, with an existing successor agency to a former redevelopment agency, to bond against the property tax revenues it receives as a result of redevelopment agency dissolution, provided the funding is for affordable housing purposes.
- Additionally, in prior legislative sessions, the Governor signed measures that established Enhanced Infrastructure Financing Districts and Community Revitalization and Investment Authorities, which are important, yet underutilized, tools that local governments can use to leverage their existing resources to address housing. During the November 2016 election, voters in various local jurisdictions across the state also approved \$2.7 billion in local bonds to house the homeless and support the construction of affordable housing.

Redevelopment Agencies

The Governor notes that the winding down of the state's former redevelopment agencies continues to be a priority for the Administration. However, on the surface, he does not seem to make any new proposals. Rather, he notes the following:

- Chapter 5, Statutes of 2011 (ABx1 26), eliminated the state's approximately 400 redevelopment agencies and replaced them with locally organized successor agencies that are tasked with retiring the former redevelopment agencies' outstanding debts and other legal obligations. The elimination of redevelopment agencies has allowed local governments to protect core public services by returning property tax money to cities, counties, special districts, and K-14 schools.
- In 2011-12 through 2015-16, approximately \$1.7 billion was returned to cities, \$2.1 billion to counties, and \$658 million to special districts. The Budget anticipates that cities will receive an additional \$733 million in general purpose revenues in 2016-17 and 2017-18 combined, with counties receiving \$869 million and special districts \$260 million.
- The Budget anticipates that additional ongoing property tax revenues of more than \$900 million annually will be distributed to cities, counties, and special districts. This is a significant amount of unrestricted funding that can be used by local governments to fund police, fire, housing, and other public services.
- In 2011-12 through 2015-16, approximately \$5.9 billion was returned to K-14 schools. The Budget anticipates Proposition 98 General Fund savings resulting from the dissolution of RDAs will be \$1.3 billion in 2016-17. Proposition 98 General Fund savings are expected to be \$1.4 billion in 2017-18 and on an ongoing basis. When Test 1 of the Proposition 98 calculation is operative, funds above this amount will increase available resources for K-14 schools.

Local Update of Census Address Program

The Budget includes \$7 million General Fund for the Local Update of Census Address Program. The program will provide grants ranging from \$7,500 to \$125,000 to cities and counties to encourage their voluntary participation in efforts to ensure the accuracy of the Census Bureau's Master List of addresses. The program's goal is to count all California residents in the 2020 Census by giving the Census Bureau an accurate listing of every residential dwelling in the state.

The Department of Finance will administer the program and authorize distribution of grant funds. To receive a grant, a city or county must register with the Census Bureau, submit the required address materials to the Census Bureau, and provide Finance with the results of the address review.

Housing Challenges

Growth in the housing stock has not kept up with population growth, particularly in the last eight years, leading to increasing numbers of persons per household (Figure DEM-03). Doubling up and the return of adult children to the familial home serves to reduce demand for housing-related goods and services. Additionally, such arrangements tend to delay the birth of children and in turn, lower the total number of children born to a woman over her lifetime.

For all regions, levels of housing growth were greater than population growth between 2005 and 2010. In contrast, between 2010 and 2015, all regions had population growth exceeding housing growth by considerable margins. The Bay Area had the greatest mismatch between housing and population over the last five years.

Since 2010, California's housing supply has expanded slowly and unevenly across regions, causing statewide housing stress. California's total nonfarm employment grew by about 2 million from 2010 to 2015 while the supply of housing units grew by less than 300,000 units. The stress is particularly stark in the Bay Area, where nonfarm employment increased by nearly 600,000 while housing supply edged up only 72,000 units. The lag in the supply of housing has kept home prices and rental costs high.

Transportation / Transit / Infrastructure

The Governor's 2017-18 Proposed Budget once again states the need to find a solution to our state's deteriorating transportation infrastructure, and lays out a **proposal to invest \$43 billion in transportation over the next decade (an increase of approximately \$600 million from his 2016-17 proposal)**. The Governor's Budget states that "the repair, maintenance, and efficient operation of the state's transportation system are vital to California's economic growth" and once again emphasizes a few key principles:

- Focusing new revenue primarily on "fix-it-first" investments to repair neighborhood roads and state highways and bridges;
- Making key investments in trade corridors to support continued economic growth and implementing a sustainable freight strategy;
- Continuing measures to improve performance, accountability and efficiency at Caltrans;
- Investing in passenger rail and public transit modernization and improvement;
- Avoiding an impact on the General Fund.

The Governor's package again "includes a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies and streamlined project delivery, accountability measures, and constitutional protections for the new revenues" and revenues

would be split evenly between state and local priorities. Specifically, the \$4.2 billion annual investment proposal includes:

- *Road Improvement Charge*—\$2.1 billion from a new \$65 fee on all vehicles, including hybrids and electrics.
- *Stabilize Gasoline Excise Tax*—\$1.1 billion by setting the gasoline excise tax at the 2013-14 rate of 21.5 cents and eliminating the current annual adjustments. The broader gasoline tax would then be adjusted annually for inflation to maintain purchasing power.
- *Diesel Excise Tax*—\$425 million from an 11-cent increase in the diesel excise tax. This tax would also be adjusted annually for inflation to maintain purchasing power.
- *Cap and Trade*—\$500 million in additional Cap and Trade proceeds.
- *Caltrans Efficiencies*—\$100 million in cost-saving reforms.

Additionally, the Budget includes a General Fund commitment to transportation by accelerating \$706 million in loan repayments over the next three years. These funds will support additional investments in the Transit and Intercity Rail Capital Program, trade corridor improvements, and repairs to the state highway system.

The Governor's plan does include a ramp up in 2017-18, with only \$1.8 billion in new revenues the first year. However, by year two the plan would provide approximately \$4.2 billion for a number of programs. Of this amount, approximately \$1.8 billion would be available for local streets and roads, \$1.8 billion for state highways, \$250 million for good movement, and \$400 million for transit.

Please see the following table for more detail:

<i>Investment Category</i>	<i>Program</i>	<i>2017-18 Amount</i>	<i>Annualized Amount^{1/}</i>
Local Streets and Roads / Partnership Programs	Active Transportation Program	\$100	\$100
	Local Road Maintenance & Repairs	\$206	\$1,163
	Local Partnership Grants ^{2/}	\$0	\$250
	SB 375 Local Planning Grants	\$25	\$25
	Corridor Mobility Program	\$275	\$275
Transit	Transit Capital ^{3/}	\$485	\$400
State Highway Repair and Maintenance ^{4/}	Pavement ^{3/}	\$129	\$997
	Bridges and Culverts	\$91	\$654
	Traffic Management Systems	\$12	\$100
	Maintenance	\$120	\$120
Trade Corridors	Improved Goods Movement ^{3/}	\$358	\$250
Total		\$1,801	\$4,234

^{1/} Excludes one-time loan repayments totaling \$706 million.
^{2/} Provides up to \$250 million per year beginning in 2018-19.
^{3/} The 2017-18 totals include anticipated loan repayments.
^{4/} Annualized amounts include \$100 million per year in Caltrans efficiency savings.

Transit

As noted above, the Governor proposes investing \$400 million per year in Cap and Trade revenues to the **Transit and Intercity Rail Capital Program (TIRCP)**; however, this dedication to annualized spending is contingent on his other proposal, to extend Cap and Trade with a supermajority vote. Additionally, this and the other dollar amounts the Governor proposes to spend on various Cap and Trade programs (listed below) would be contingent on the annual budget and appropriation process. In other words, the Governor is not proposing to increase on a continually-appropriated basis the percentage of all Cap and Trade funds going to TIRCP, i.e. from 10% to 20% – rather, he is committing now to each year asking the Legislature to *appropriate* these dollar amounts from the Cap and Trade funds not continuously appropriated (i.e. from the 40% of funds that are not set aside in statute).

For instance, if annual auction proceeds produced \$2 billion in a given year, the 10% currently continuously-appropriated to TIRCP would automatically produce \$200 million to that program. The Governor is proposing that he would ask for an additional \$400 million from the 40% of all auction proceeds not continuously appropriated, to produce a total of \$600 million to the TIRCP in such a year.

The Governor also proposes \$256 million in loan repayments to the TIRCP, in 2017-18.

The Governor's Budget projects the **State Transit Assistance (STA) Program** will be \$293.8 million in 2017-18. **This represents an increase of \$31.3 million over the current year 2016-17 projection of \$262.5 million.**

The Governor's Budget also includes updated revenue estimates for Cap and Trade auction proceeds, including for the transit programs that rely on these dollars. The transit program revenue updates are estimated as follows:

- *Low-Carbon Transit Operations Program*—\$75 million
- *Transit and Intercity Rail Capital Program*—\$150 million
- *California High-Speed Rail Authority* — \$375 million

The Governor's Cap and Trade plan also acknowledges his transportation funding proposal, mentioned above, with other proposed expenditures as follows:

- *Transit and Intercity Rail Capital Program*—\$400 million
- *Active Transportation*—\$100 million
- *Low Carbon Transportation*—\$363 million

Fuel Taxes

After several years of declines in the price-based excise tax on gasoline, resulting in millions of dollars in lost revenues for local streets & roads and STIP projects, the Governor's Budget shows a rebound in the price-based excise tax – from its current level of 9.8 cents – to 11.7 cents in 2017-18, which would mean an additional \$300 million in the State Highway Account, with an estimated \$132 million available to cities and counties for local streets & roads and \$132 million to the STIP program. In 2020-21, the tax is projected to increase to 16 cents, which, if realized, would result in approximately \$930 million in additional revenue.

Goods Movement

In addition to the general investments on the state highway system and local streets and roads, the Governor's Budget invests \$250 million annually in the Trade Corridors Improvement Fund, including

\$323 million from loan repayments, for Caltrans to fund projects along the state's major trade corridors, providing ongoing funding for a program originally established with \$2 billion in one-time Proposition 1B bond funding.

Caltrans Reforms and Efficiencies

The transportation package also includes the following reforms and efficiencies within Caltrans, to streamline project delivery and advance projects more quickly:

- **State Highway Performance Plan**—Establish measurable targets for improvements including regular reporting to the California Transportation Commission, the Legislature, and the public.
- **Streamlined Project Delivery**—Provide a limited California Environmental Quality Act (CEQA) exemption for projects on existing rights-of-way with previously completed CEQA approval; remove the sunset date for the federal delegation of environmental reviews so federal and state environmental review can be completed concurrently.
- **Advanced Mitigation**—Advance project environmental mitigation to get early permitting approval as well as stakeholder and advocate buy-in on activities, reducing the challenges that can occur later which sometimes delay projects.
- **Job Order Contracting**—Complete a limited-term, focused pilot program for procuring routine highway, bridge, and applicable culvert projects using the job order contracting method. This will allow the state to complete a large number of routine maintenance activities in a given area with a single, competitively bid contract while eliminating much of the time and expense of the current process of separately bidding each project contract.
- **Extend Public-Private Partnership Authority**—Allow for these partnerships through 2027 by extending the current sunset date by 10 years.
- **California Transportation Commission Oversight**—Expand the Commission's oversight to cover each phase of project delivery to better track Caltrans' staffing needs and increase transparency.

Climate Change

The California Global Warming Solutions Act of 2006 (AB 32) established greenhouse gas (GHG) emission reduction goals for 2020. Subsequent actions by Governor Schwarzenegger (S-03-05) and Governor Brown (B-16-12 and B-30-15) further solidified the State's goals of achieving GHG emissions reductions by setting ambitious GHG emissions targets for 2030 and 2050, and requiring the transportation sector to contribute its fair share of emissions reductions.

Additionally, the Legislature passed the Clean Energy and Pollution Reduction Act of 2015 (SB 350), which established the following goals to be achieved by 2030: an increase in California's renewable portfolio standard from 33% to 55%; an increase in energy efficiency in buildings by 50%; the widespread electrification of transportation vehicles. In 2015, the Governor punctuated California's leadership on climate change by establishing the most ambitious 2030 climate target in North America—a reduction of greenhouse gas emissions to 40 percent below 1990 levels—and the Legislature codified this target with the passage of Chapter 249, Statutes of 2016 (SB 32).

The Governor's 2017-18 Proposed Budget supports these goals by expanding on the approximately \$3.4 billion in Cap and Trade auction proceeds that have been invested since 2014 in programs that reduce or sequester greenhouse gases by providing individuals, households, communities, and regions more transit options, modern housing, additional tree cover, forest and watershed improvements, healthy soils, recycling opportunities and housing upgrades that reduce energy use.

Cap and Trade

The Governor's 2017-18 Proposed Budget recognizes that there has been significant volatility in the Cap and Trade market, and proposes a **\$2.2 billion Cap and Trade Expenditure Plan to be allocated after legislation confirming the ARB's authority to administer the Cap and Trade Program beyond 2020 is enacted through a 2/3-vote of the Legislature**. Included within the \$2.2 billion Cap and Trade Expenditure Plan is \$500 million for the Governor's proposed Transportation package, which would be annualized for 10 years; and, \$900 million to fulfill ongoing commitments to high-speed rail, affordable housing, sustainable communities and public transit established by SB 862 (Budget and Fiscal Review) [Chapter 36, Statutes of 2014].

Of the remaining \$1.3 billion, \$863 million is proposed for programs that lower emissions from the transportation sector. This funding could support a reduction in housing and transportation costs through the development of transit-oriented development that brings jobs and housing closer together, as well as provide a substantial investment in incentives for electric vehicles and the development of in-state low-carbon biofuels. An additional \$392 million is proposed for programs that could expand the amount of green spaces and new and upgraded housing in the state's disadvantaged and low-income communities, reduce pollution at landfills and provide new recycling jobs, improve the condition of the state's forests, and enhance agricultural water conservation.

Please see the chart below for a breakdown of Cap and Trade funding in the 2017-18 Proposed Budget:

Figure CLI-02
2017 18 Cap and Trade Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Amount
Continuous Appropriation	High Speed Rail Authority	High Speed Rail Project	\$375
	State Transit Assistance	Low Carbon Transit Operations	\$75
	Transportation Agency	Transit and Intercity Rail Capital Program	\$150
	Strategic Growth Council	Affordable Housing and Sustainable Communities Program	\$300
Transportation Package	Transportation Agency	Transit and Intercity Rail Capital Program	\$500
	Caltrans	Active Transportation	
50 Percent Reduction in Petroleum Use	Air Resources Board	Low Carbon Transportation	\$363
Transformational Climate Communities	Strategic Growth Council	Transformative Climate Communities	\$142
		Technical Assistance & Outreach	
Short Lived Climate Pollutants	Air Resources Board	Black Carbon Woodsmoke	
	Cal Recycle	Waste Diversion	\$95
	Department of Food and Agriculture	Dairy Digesters	
Carbon Sequestration	CAL FIRE	Healthy Forests	
		Urban Forestry	
	Department of Food and Agriculture	Climate Smart Agriculture - Healthy Soils	\$127.5
	Natural Resources Agency	Urban Greening	
Energy Efficiency/ Renewable Energy	Department of Community Services and Development	Energy Efficiency Upgrades/ Weatherization	\$27.5
	Department of Food and Agriculture	State Water Efficiency and Enhancement Program	
Total			\$2,166

Water

Continued Effects of Drought

The years 2012–2015 rank as the four driest years on record in terms of state precipitation. In 2016, Northern California experienced average to slightly above-average precipitation, but conditions statewide did not improve enough to erase the effects of severe drought.

The state's drought response is strategically guided by advancing several of the key actions in the California Water Action Plan that will provide long-term benefits for the state. In November 2014, voters overwhelmingly approved Proposition 1, which provides \$7.5 billion in bonds for water storage, water supply, water quality, flood protection, and watershed protection and restoration projects.

The Budget includes an additional \$178.7 million of one-time resources for 2017-18 to reflect current drought conditions and provide immediate response to drought impacts (see Figure RES-01). The Administration will continue to monitor drought conditions through the 2017 rainy season.

Figure RES-01
Emergency Drought Response
(Dollars in Millions)

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Protecting Water Supplies and Water Conservation	Department of Water Resources	Local Assistance for Small Communities	\$5.0
	Water Board	Water Rights Management	\$5.3
	Department of Water Resources	Drought Management and Response	\$7.0
	Department of Water Resources	Save Our Water Campaign	\$2.0
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$91.0
	Office of Emergency Services	California Disaster Assistance Act	\$52.7
	Office of Emergency Services	State Operations Center	\$4.0
Protecting Fish and Wildlife	Department of Fish and Wildlife	Emergency Fish Rescues and Monitoring	\$8.2
	Department of Water Resources	Delta Smelt Resiliency Strategy	\$3.5
Total			\$178.7

Emergency Drinking Water

The Budget provides \$5 million General Fund for the Department of Water Resources to provide emergency drinking water support for small communities by working to develop additional water supplies. Furthermore, the State Water Board will continue to address critical water supply impacts of drought on small communities by funding the installation or deepening of wells, and where appropriate, requiring the consolidation of small failing water systems with functioning systems that are able to provide a safe and reliable supply.

California Water Action Plan

The Budget builds on investments from previous years and continues to prioritize the ten actions of the California Water Action Plan, including making conservation a way of life, increasing regional self-reliance in water supplies, expanding water storage and improving groundwater management and improving flood protection.

Figure RES-02

**Water Action Plan
Reliability, Restoration and Resilience**

1	Make conservation a way of life
2	Increase regional self reliance and integrated water management
3	Achieve the co-equal goals for the Delta
4	Protect and restore important ecosystems
5	Manage and prepare for dry periods
6	Expand water storage capacity and improve groundwater management
7	Provide safe water for all communities
8	Increase flood protection
9	Increase operational and regulatory efficiency
10	Identify sustainable and integrated financing opportunities

Increasing Regional Self Reliance and Integrated Water Management

The California Water Action Plan recognizes the need for better regional coordination on local projects and emphasizes the need for regionally driven multi-benefit projects. Proposition 1 provided \$510 million for integrated regional water management projects. To date, the state has appropriated over \$1 billion for local projects and plans that support regional self-reliance and integrated water management.

Significant Adjustment:

- **Integrated Regional Water Management Program**—An increase of \$248 million Proposition 1 funding for Department of Water Resources for integrated regional water management projects. This funding supports regionally driven multi-benefit projects that help meet the long-term water needs of the state, including assisting water infrastructure systems to adapt to climate change, encouraging collaboration in managing a region's water resources and setting regional priorities for water infrastructure, and improving regional water self-reliance.

Providing Safe Water for All Communities

Significant Adjustment:

- **Irrigated Lands Regulatory Program**—An increase of \$1 million Waste Discharge Permit Fund and 5 new positions for the State Water Board, in coordination with the Department of Food and Agriculture, to address contamination of groundwater basins from agricultural practices

Expanding Water Storage Capacity and Improving Groundwater Management

Significant Adjustments:

- **Water Investment Storage Program**—An increase of \$1.9 million in reimbursements, from the California Water Commission's allotment of \$2.7 billion Proposition 1 water storage funding, for the Department of Fish and Wildlife to support initial outreach and technical review of the ecosystem benefits of water storage project proposals submitted to the Commission.
- **Sustainable Groundwater Management Act Implementation:**
- **Department of Water Resources**—An increase of \$15 million General Fund for 29 existing positions for statewide technical assistance and to provide detailed information on basin scale water use, water supplies, and groundwater conditions. Gathering data on a statewide level is more efficient and provides greater consistency.

- **State Water Board**—An increase of \$2.3 million Water Rights Fund for 5 new positions and \$1.5 million in contract funds to enforce reporting requirements and protect local groundwater resources beginning July 1, 2017 in high-or medium-priority groundwater basins that fail to form local governance structures as required by SGMA.

State Parks

- **Maintain Services at State Parks** — A one-time increase of \$12.6 million State Parks and Recreation Fund and \$4 million from the Environmental License Plate Fund to maintain existing service levels throughout the state parks system. This proposal will allow the Department to continue implementation of recommendations of the Parks Forward Commission and the Legislature, including the establishment of an outside support organization as specified by Chapter 540, Statutes of 2016 (SB 1111). The Budget sustains the current level of service at parks for the upcoming year, although a long-term structural shortfall remains.

Environmental Protection

Beverage Container Recycling Program Reform

Combatting climate change requires strategies to reduce the amount of landfilled waste and increase recycling for multiple types of materials. Recycling reduces greenhouse gas emissions by lessening the need for natural resource extraction, saving energy in the manufacturing of new products and minimizing landfill emissions.

Over the past 30 years, the Beverage Container Recycling Program, which is administered by the Department of Resources Recycling and Recovery (CalRecycle), has raised consumer awareness of the environmental impacts of littering and the benefits of recycling single-use beverage containers. However, the program faces significant challenges, prompted by changes in consumer products and behavior, developments in recycling systems, and fluctuations in the global commodities market.

To maximize the environmental and economic benefits of recycling beverage containers, the program requires comprehensive reform that aligns with the state's climate change goals, the state's 75 percent waste diversion goal, and fiscal sustainability based on the following principles:

- **Improving Recycling and Remanufacturing** — The program has been successful in its initial goal of reducing litter by providing recycling collection opportunities for consumers. However, collection does not ensure that a product is recycled into a new commodity. Future investments should be focused on creating clean, recyclable streams of material, which will improve the recycling and remanufacturing segments of the current system.
- **Sharing Responsibility** — Historically, the consumer has shouldered most of the financial burden to sustain the program. Program responsibilities and financing should be rebalanced among all program participants.
- **Enhancing Adaptability and Sustainability** — Increases in the recycling rate have resulted in a structural deficit in the Beverage Container Recycling Fund. In addition, the program does not respond quickly to fluctuations in the marketplace. The program must be both nimble and fiscally sustainable.

The Administration is committed to collaborating with stakeholders on a comprehensive reform package. To that end, CalRecycle proposes a policy framework that outlines key components of reform.

State Fleet Zero-Emission Vehicles

Building upon the Governor's Executive Order B-16-12, which mandated specified increases to the number of zero-emission vehicles purchased for use in the state fleet, the Administration released an updated Action Plan in October 2016. It commits the state to further increasing the percentage of zero-emission vehicles purchased annually, starting at 15 percent in 2017-18 and reaching 50 percent by 2019-20. To more effectively implement the new directive, the Budget includes \$6.6 million (\$3.3 million General Fund) for engineering assessments associated with electric vehicle charging infrastructure at state facilities. The Department of General Services will be required to certify it has maximized all available funding from non-state sources in advance of supporting these activities with state funds.

Local Public Safety

The Budget addresses the following local public safety issues:

- The budget includes \$114.9 million to continue the Community Corrections Performance Incentive Grant.
- \$11 million General Fund for county probation departments for post release community supervision.
- After a review of fines, fees and penalties on court filings and citation the Administration is proposing to reduce a number of programs supported by the State Penalty Fund including:
 - Motorcyclist Safety Program (CHP)
 - Local Public Prosecutors and Public Defenders Training Program (OES)-Federal funding for this program would remain in place.
 - Internet Crimes Against Children Task Forces (OES)
 - California Gang Reduction, Intervention and Prevention Program (BSCC)
- As there does not appear to be a strong connection between suspending someone's driver's license and collecting their fine or penalty, the Budget proposes eliminating the statutory provisions related to suspending drivers licenses for failure to pay fines and penalties.

Cannabis Regulation

The Governor's Budget acknowledges recent voter approval of Proposition 64 the Adult Use of Marijuana Act, and lists various state and local taxes that will result from that measure, taking effect on January 1 2018. This measure made the recreational use of cannabis legal to people over the age of 21.

He also observes that medical cannabis is exempt from state and local taxes. The Governor's budget observes that the amount and timing of revenues generated from the new excise taxes are highly uncertain and will depend on various factors including state and local regulations, how cannabis prices and consumption change in a legal environment, and future federal policies and actions toward the cannabis industry.

Specifically, under Proposition 64, the cultivation tax is \$9.25 per ounce of flower and \$2.75 per ounce of leaves, to be paid on all recreational and medicinal cultivation of cannabis, and will be adjusted for inflation beginning in 2020. In addition, there will be a 15-percent tax on the retail price of cannabis.

Under Proposition 64, revenues generated from the new excise taxes will be allocated for various purposes, as specified by Proposition 64, including regulatory costs, youth substance use programs, environmental clean-up resulting from illegal cannabis growing, programs to reduce driving under the influence of cannabis and other drugs, and to reduce negative impacts on public health or safety resulting from the legalization of recreational cannabis.

As the state moves forward with the regulation of both medical cannabis and recreational cannabis, one regulatory structure of cannabis activities across California is needed.

Medical Cannabis

Implementing the current medical and recreational cannabis statutes separately will result in duplicative costs of an additional \$25 million for a second track and trace system. Additionally, a separate regulatory framework for each would lead to confusion among licensees and regulatory agencies, undermining consumer protection and public safety.

Proposed Budget Actions During the 2017-18 Fiscal Year

The Governor's Budget includes \$52.2 million for the regulation of cannabis in 2017-18 to fund regulatory activities, processing of licenses, and enforcement. Since cannabis license fees will not be collected until January 1, 2018, the Governor's budget proposes a loan from the State General Fund to the Marijuana Control Fund to cover the initial implementation and regulatory costs for cannabis-related activities. It is anticipated that these loans will be repaid in 2018-19.

Specific proposals include:

- Department of Consumer Affairs—\$22.5 million to enhance the Bureau of Medical Cannabis Regulation within the Department of Consumer Affairs. The Bureau will regulate the transportation, storage, distribution, and sale of cannabis within the state and will also be responsible for licensing, investigation, enforcement, and coordination with local governments.
- Department of Public Health—\$1 million for the licensing and regulation of medical cannabis product manufacturers.
- Department of Food and Agriculture—\$23.4 million to provide Cannabis Cultivation Program administrative oversight, promulgate regulations, issue cannabis cultivation licenses, and perform an Environmental Impact Report. In addition, the Department of Food and Agriculture is responsible, with assistance from the California Department of Technology and the Board of Equalization, for establishing a track and trace program to report the movement of medical cannabis products throughout the distribution chain using unique identifiers.
- Board of Equalization—\$5.3 million in 2017-18 to notify businesses of the new tax requirements and update its information technology systems to register businesses and process tax returns from retail sales. Proposition 64 requires the Board of Equalization to administer an excise tax on cannabis sales and a cultivation tax on all harvested cannabis that enters the commercial market.
- Department of Health Care Services—\$5 million in 2016-17 for the public information program specified in Proposition 64. The program, to be established and implemented no later than September 1, 2017, will cover a number of health-related topics pertaining to cannabis and cannabis products.

Summary Charts

Figure SUM-01
2017-18 Governor's Budget
General Fund Budget Summary
(Dollars in Millions)

	2016-17	2017-18
Prior Year Balance	\$5,023	\$1,027
Revenues and Transfers	\$118,765	\$124,027
Total Resources Available	\$123,788	\$125,054
Non-Proposition 98 Expenditures	\$72,431	\$71,169
Proposition 98 Expenditures	\$50,330	\$51,351
Total Expenditures	\$122,761	\$122,520
Fund Balance	\$1,027	\$2,534
Reserve for Liquidation of Encumbrances	\$980	\$980
Special Fund for Economic Uncertainties	\$47	\$1,554
Budget Stabilization Account/Rainy Day Fund	\$6,713	\$7,869

Figure SUM-02
General Fund Expenditures by Agency
(Dollars in Millions)

	2016-17	2017-18	Change from Dollar Change	2016-17 Percent Change
Legislative, Judicial, Executive	\$3,500	\$3,322	-\$178	5.1%
Business, Consumer Services & Housing	493	388	-105	21.3%
Transportation	225	243	18	8.0%
Natural Resources	3,110	2,811	-299	9.6%
Environmental Protection	90	89	-1	1.1%
Health and Human Services	35,263	33,994	1,269	3.6%
Corrections and Rehabilitation	10,889	11,088	199	1.8%
K 12 Education	50,589	52,169	1,580	3.1%
Higher Education	14,527	14,627	100	0.7%
Labor and Workforce Development	177	122	-55	31.1%
Government Operations	1,772	741	1,031	58.2%
General Government:				
Non-Agency Departments	787	691	-96	12.2%
Tax Relief/Local Government	459	435	-24	5.2%
Statewide Expenditures	880	1,800	920	104.5%
Total	\$122,761	\$122,520	-\$241	0.2%

Note: Numbers may not add due to rounding.

Figure SUM-04
General Fund Revenue Sources
(Dollars in Millions)

	2016-17	2017-18	Change from 2016-17	
			Dollar Change	Percent Change
Personal Income Tax	\$83,136	\$85,866	\$2,730	3.3%
Sales and Use Tax	24,994	25,179	185	0.7%
Corporation Tax	10,389	10,878	489	4.7%
Insurance Tax	2,309	2,368	59	2.6%
Alcoholic Beverage Taxes and Fees	370	372	2	0.5%
Cigarette Tax	79	65	-14	17.7%
Motor Vehicle Fees	24	24	0	0.0%
Other	648	431	-217	33.5%
Subtotal	\$121,949	\$125,183	\$3,234	2.7%
Transfer to the Budget Stabilization Account/Rainy Day Fund	3,184	1,156	2,028	63.7%
Total	\$118,765	\$124,027	\$5,262	4.4%

Note: Numbers may not add due to rounding.

Figure SUM-06
2017 18 Total State Expenditures by Agency
(Dollars in Millions)

	General Fund	Special Funds	Bond Funds	Totals
Legislative, Judicial, Executive	\$3,322	\$3,378	\$154	\$6,855
Business, Consumer Services & Housing	388	852	383	1,623
Transportation	243	10,254	881	11,378
Natural Resources	2,811	1,359	564	4,734
Environmental Protection	89	2,795	23	2,907
Health and Human Services	33,994	25,829		59,823
Corrections and Rehabilitation	11,088	2,678		13,766
K 12 Education	52,169	104	64	52,337
Higher Education	14,627	171	277	15,075
Labor and Workforce Development	122	697		819
Government Operations	741	230	6	977
General Government				
Non-Agency Departments	691	1,961	5	2,657
Tax Relief/Local Government	435	1,613		2,048
Statewide Expenditures	1,800	2,651		4,451
Total	\$122,520	\$54,573	\$2,357	\$179,450

Note: Numbers may not add due to rounding.

Figure SUM-08
2017 18 Revenue Sources
(Dollars in Millions)

	General Fund	Special Funds	Total	Change From 2016-17
Personal Income Tax	\$85,866	\$1,888	\$87,754	\$2,755
Sales and Use Tax	25,179	10,828	36,007	658
Corporation Tax	10,878		10,878	489
Highway Users Taxes		5,111	5,111	307
Insurance Tax	2,368		2,368	59
Alcoholic Beverage Taxes and Fees	372		372	2
Cigarette Tax	65	2,026	2,091	934
Motor Vehicle Fees	24	8,503	8,527	1,516
Other	431	22,176	22,607	1,310
Subtotal	\$125,183	\$50,532	\$175,715	\$5,410
Transfer to the Budget Stabilization Account/Rainy Day Fund	1,156	1,156	0	0
Total	\$124,027	\$51,688	\$175,715	\$5,410

Note: Numbers may not add due to rounding.



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

January 18, 2017

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw / Yoder / Antwih, Inc.
Christopher Castrillo, Legislative Advocate, Shaw / Yoder / Antwih, Inc.
Melissa Immel, Legislative Aide, Shaw / Yoder / Antwih, Inc.

Re: AB 87 (Ting) Autonomous vehicles.

Attachment: 1. AB 87 Bill Text
2. AB 87 Fact Sheet

Introduction

Assemblymember Ting has introduced AB 87 which requires the Department of Motor Vehicles (DMV) to revoke vehicle registration for any operating autonomous vehicle in violation of the Autonomous Vehicle Tester Program and authorizes law enforcement to impound the vehicle in violation. The bill also prohibits a non-compliant company from applying to the program for two years and gives the DMV discretion to impose a penalty of up to \$25,000 per vehicle per day of violation.

This bill appears to be a legislative response to the recent conflict between Uber and the DMV. In December 2016, Uber debuted its autonomous vehicle pilot program in San Francisco without formal approval from the DMV, resulting in a revocation of 16 autonomous vehicles' registrations. Uber did not remove unregulated autonomous vehicles from public streets, according to captured footage from a Luxor Cab dashboard-camera, which showed an Uber autonomous vehicle running a red light near the San Francisco Museum of Modern Art. The San Francisco Bicycle Coalition also claimed Uber's autonomous cars failed to merge into bicycle lanes for right turns, putting cyclists at risk of being hit. According to the author's office, the DMV offered to expedite their review and approval process to 72 hours to include Uber's participation in the Autonomous Vehicle Tester Program. Instead, Uber relocated their pilot program to Arizona.

In Assemblymember Ting's press release, he states, "The pursuit of innovation does not include a license to put innocent lives at risk... We need stronger enforcement tools to protect ourselves from those recklessly putting profit before public safety."

AB 87 is in print but has not yet been referred to committee. Those in support of the bill are as follows: Mayor of San Francisco, Ed Lee; San Francisco Supervisor, Aaron Peskin; California Bicycle Coalition; San Francisco Bicycle Coalition; WalkSF.

Recommendations

As this bill is still pending referral to a policy committee, we recommend working with City staff to review this legislation more closely, per the City's direction.

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Attachment 1

ASSEMBLY BILL

No. 87

**Introduced by Assembly Member Ting
(Coauthor: Assembly Member Nazarian)**

January 5, 2017

An act to amend Section 38750 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 87, as introduced, Ting. Autonomous vehicles.

Existing law authorizes the operation of an autonomous vehicle on public roads for testing purposes by a driver who possesses the proper class of license for the type of vehicle being operated, if specified requirements are satisfied. Existing law prohibits an autonomous vehicle from being operated on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. Existing law requires the Department of Motor Vehicles to adopt regulations no later than January 1, 2015, setting forth requirements for the submission of evidence of insurance, surety bond, or self-insurance, and for the submission and approval of an application to operate an autonomous vehicle. Under existing law, it is unlawful and constitutes an infraction for any person to violate, or fail to comply with any provision of the Vehicle Code, unless otherwise specified.

This bill would provide that violation of this section is not an infraction and would instead, among other things, require the department to revoke the registration of a vehicle that is being operated in violation of those provisions. The bill would also authorize a peace officer to cause the removal and seizure of a vehicle operating on the public streets with a registration that has been revoked pursuant to these provisions

and authorize the department to impose a penalty of up to \$25,000 per day for each autonomous vehicle operating in violation of these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 38750 of the Vehicle Code is amended
2 to read:

3 38750. (a) For purposes of this division, the following
4 definitions apply:

5 (1) "Autonomous technology" means technology that has the
6 capability to drive a vehicle without the active physical control or
7 monitoring by a human operator.

8 (2) (A) "Autonomous vehicle" means any vehicle equipped
9 with autonomous technology that has been integrated into that
10 vehicle.

11 (B) An autonomous vehicle does not include a vehicle that is
12 equipped with one or more collision avoidance systems, including,
13 but not limited to, electronic blind spot assistance, automated
14 emergency braking systems, park assist, adaptive cruise control,
15 lane keep assist, lane departure warning, traffic jam and queuing
16 assist, or other similar systems that enhance safety or provide driver
17 assistance, but are not capable, collectively or singularly, of driving
18 the vehicle without the active control or monitoring of a human
19 operator.

20 (3) "Department" means the Department of Motor Vehicles.

21 (4) An "operator" of an autonomous vehicle is the person who
22 is seated in the driver's seat, or, if there is no person in the driver's
23 seat, causes the autonomous technology to engage.

24 (5) A "manufacturer" of autonomous technology is the person
25 as defined in Section 470 that originally manufactures a vehicle
26 and equips autonomous technology on the originally completed
27 vehicle or, in the case of a vehicle not originally equipped with
28 autonomous technology by the vehicle manufacturer, the person
29 that modifies the vehicle by installing autonomous technology to
30 convert it to an autonomous vehicle after the vehicle was originally
31 manufactured.

1 (b) An autonomous vehicle may be operated on public roads
2 for testing purposes by a driver who possesses the proper class of
3 license for the type of vehicle being operated if all of the following
4 requirements are met:

5 (1) The autonomous vehicle is being operated on roads in this
6 state solely by employees, contractors, or other persons designated
7 by the manufacturer of the autonomous technology.

8 (2) The driver shall be seated in the driver's seat, monitoring
9 the safe operation of the autonomous vehicle, and capable of taking
10 over immediate manual control of the autonomous vehicle in the
11 event of an autonomous technology failure or other emergency.

12 (3) Prior to the start of testing in this state, the manufacturer
13 performing the testing shall obtain an instrument of insurance,
14 surety bond, or proof of self-insurance in the amount of five million
15 dollars (\$5,000,000), and shall provide evidence of the insurance,
16 surety bond, or self-insurance to the department in the form and
17 manner required by the department pursuant to the regulations
18 adopted pursuant to subdivision (d).

19 (c) Except as provided in subdivision (b), an autonomous vehicle
20 shall not be operated on public roads until the manufacturer submits
21 an application to the department, and that application is approved
22 by the department pursuant to the regulations adopted pursuant to
23 subdivision (d). The application shall contain, at a minimum, all
24 of the following certifications:

25 (1) A certification by the manufacturer that the autonomous
26 technology satisfies all of the following requirements:

27 (A) The autonomous vehicle has a mechanism to engage and
28 disengage the autonomous technology that is easily accessible to
29 the operator.

30 (B) The autonomous vehicle has a visual indicator inside the
31 cabin to indicate when the autonomous technology is engaged.

32 (C) The autonomous vehicle has a system to safely alert the
33 operator if an autonomous technology failure is detected while the
34 autonomous technology is engaged, and when an alert is given,
35 the system shall do either of the following:

36 (i) Require the operator to take control of the autonomous
37 vehicle.

38 (ii) If the operator does not or is unable to take control of the
39 autonomous vehicle, the autonomous vehicle shall be capable of
40 coming to a complete stop.

1 (D) The autonomous vehicle shall allow the operator to take
2 control in multiple manners, including, without limitation, through
3 the use of the brake, the accelerator pedal, or the steering wheel,
4 and it shall alert the operator that the autonomous technology has
5 been disengaged.

6 (E) The autonomous vehicle's autonomous technology meets
7 Federal Motor Vehicle Safety Standards for the vehicle's model
8 year and all other applicable safety standards and performance
9 requirements set forth in state and federal law and the regulations
10 promulgated pursuant to those laws.

11 (F) The autonomous technology does not make inoperative any
12 Federal Motor Vehicle Safety Standards for the vehicle's model
13 year and all other applicable safety standards and performance
14 requirements set forth in state and federal law and the regulations
15 promulgated pursuant to those laws.

16 (G) The autonomous vehicle has a separate mechanism, in
17 addition to, and separate from, any other mechanism required by
18 law, to capture and store the autonomous technology sensor data
19 for at least 30 seconds before a collision occurs between the
20 autonomous vehicle and another vehicle, object, or natural person
21 while the vehicle is operating in autonomous mode. The
22 autonomous technology sensor data shall be captured and stored
23 in a read-only format by the mechanism so that the data is retained
24 until extracted from the mechanism by an external device capable
25 of downloading and storing the data. The data shall be preserved
26 for three years after the date of the collision.

27 (2) A certification that the manufacturer has tested the
28 autonomous technology on public roads and has complied with
29 the testing standards, if any, established by the department pursuant
30 to subdivision (d).

31 (3) A certification that the manufacturer will maintain, an
32 instrument of insurance, a surety bond, or proof of self-insurance
33 as specified in regulations adopted by the department pursuant to
34 subdivision (d), in an amount of five million dollars (\$5,000,000).

35 (d) (1) As soon as practicable, but no later than January 1,
36 2015, the department shall adopt regulations setting forth
37 requirements for the submission of evidence of insurance, surety
38 bond, or self-insurance required by subdivision (b), and the
39 submission and approval of an application to operate an
40 autonomous vehicle pursuant to subdivision (c).

1 (2) The regulations shall include any testing, equipment, and
2 performance standards, in addition to those established for purposes
3 of subdivision (b), that the department concludes are necessary to
4 ensure the safe operation of autonomous vehicles on public roads,
5 with or without the presence of a driver inside the vehicle. In
6 developing these regulations, the department may consult with the
7 Department of the California Highway Patrol, the Institute of
8 Transportation Studies at the University of California, or any other
9 entity identified by the department that has expertise in automotive
10 technology, automotive safety, and autonomous system design.

11 (3) The department may establish additional requirements by
12 the adoption of regulations, which it determines, in consultation
13 with the Department of the California Highway Patrol, are
14 necessary to ensure the safe operation of autonomous vehicles on
15 public roads, including, but not limited to, regulations regarding
16 the aggregate number of deployments of autonomous vehicles on
17 public roads, special rules for the registration of autonomous
18 vehicles, new license requirements for operators of autonomous
19 vehicles, and rules for revocation, suspension, or denial of any
20 license or any approval issued pursuant to this division.

21 (4) The department shall hold public hearings on the adoption
22 of any regulation applicable to the operation of an autonomous
23 vehicle without the presence of a driver inside the vehicle.

24 (e) (1) The department shall approve an application submitted
25 by a manufacturer pursuant to subdivision (c) if it finds that the
26 applicant has submitted all information and completed testing
27 necessary to satisfy the department that the autonomous vehicles
28 are safe to operate on public roads and the applicant has complied
29 with all requirements specified in the regulations adopted by the
30 department pursuant to subdivision (d).

31 (2) Notwithstanding paragraph (1), if the application seeks
32 approval for autonomous vehicles capable of operating without
33 the presence of a driver inside the vehicle, the department may
34 impose additional requirements it deems necessary to ensure the
35 safe operation of those vehicles, and may require the presence of
36 a driver in the driver's seat of the vehicle if it determines, based
37 on its review pursuant to paragraph (1), that such a requirement is
38 necessary to ensure the safe operation of those vehicles on public
39 roads. The department shall notify the Legislature of the receipt
40 of an application from a manufacturer seeking approval to operate

1 an autonomous vehicle capable of operating without the presence
2 of a driver inside the vehicle and approval of the application.
3 Approval of the application shall be effective no sooner than 180
4 days after the date the application is submitted.

5 (f) Nothing in this division shall limit or expand the existing
6 authority to operate autonomous vehicles on public roads, until
7 120 days after the department adopts the regulations required by
8 paragraph (1) of subdivision (d).

9 (g) Federal regulations promulgated by the National Highway
10 Traffic Safety Administration shall supersede the provisions of
11 this division when found to be in conflict with any other state law
12 or regulation.

13 (h) The manufacturer of the autonomous technology installed
14 on a vehicle shall provide a written disclosure to the purchaser of
15 an autonomous vehicle that describes what information is collected
16 by the autonomous technology equipped on the vehicle. The
17 department may promulgate regulations to assess a fee upon a
18 manufacturer that submits an application pursuant to subdivision
19 (c) to operate autonomous vehicles on public roads in an amount
20 necessary to recover all costs reasonably incurred by the
21 department.

22 (i) *(1) If the department determines that an autonomous vehicle*
23 *is being operated in violation of this division, the department shall*
24 *revoke the registration for that vehicle.*

25 *(2) A peace officer, as defined in Chapter 4.5 (commencing with*
26 *Section 830) of Title 3 of Part 2 of the Penal Code, may cause the*
27 *removal and seizure of a vehicle found to be operating on public*
28 *streets with a registration revoked pursuant to this subdivision in*
29 *accordance with Chapter 10 (commencing with Section 22650) of*
30 *Division 11.*

31 *(3) A manufacturer or operator found by the department to be*
32 *in violation of this division shall not be eligible to apply to the*
33 *department to operate an autonomous vehicle pursuant to this*
34 *division for a period of two years from the date of the violation.*

35 *(4) A violation of this section is not an infraction pursuant to*
36 *Section 4000.1. The department may impose a penalty of up to*
37 *twenty-five thousand dollars (\$25,000) per day for each*

- 1 *autonomous vehicle a manufacturer of an operator operates in*
- 2 *violation of this division.*

O

Attachment 2

AB 87

Autonomous Vehicle Safety

Assemblymember
Phil Ting
19TH DISTRICT



SUMMARY

In order to ensure safety on California roadways for pedestrians, cyclists, and other motorists, the state needs to improve enforcement of its Autonomous Vehicle Tester Program, administered by the Department of Motor Vehicles (DMV).

Under current law, the DMV approves participants in its Autonomous Vehicle Tester Program. Participating companies must meet specific requirements related to proper operation on public roadways, including insurance coverage, technological features, and compliance with the Federal Motor Vehicle Safety Standards. Because the existing law does not include a specific penalty for non-compliance, violations are considered infractions.

BACKGROUND

Last December, Uber debuted their autonomous (or "self-driving") vehicle pilot program in San Francisco without approval from the DMV. In response, the DMV revoked the registrations of Uber's 16 autonomous vehicles to pull the unregulated cars off public streets. A dashboard-camera from a Luxor Cab obtained footage of an Uber autonomous vehicle running a red light nearby the San Francisco Museum of Modern Art. Additionally, the San Francisco Bicycle Coalition found that Uber's autonomous cars were not merging into the bicycle lane to make right turns, putting cyclists in danger of being hit.

The DMV offered to assist in expediting their review and approval process to 72 hours for Uber to participate in the Autonomous Vehicle Tester Program before resuming their pilot project. Instead of complying, Uber moved their pilot to Arizona.

The DMV Autonomous Vehicle Tester Program currently has 20 companies operating about 130 autonomous vehicles that have been approved by the DMV. In order to apply, companies must submit an application, evidence of insurance, appoint a director as agent for service of process, and pay a \$150 application fee.

The vehicles used in the program must also be registered with a current California registration, title, Statement of Facts that certifies that the vehicle will only be operated for testing purposes and description of the autonomous technology, a brake and light adjustment certificate, and a smog certificate.

THIS BILL

Specifically, this bill requires the DMV to revoke the vehicle registration for any autonomous vehicle operating in violation of the Autonomous Vehicle Tester Program, and authorizes law enforcement to impound such vehicles with revoked registrations. In addition, the bill prohibits a non-compliant company from applying to the Program for two years, and imposes a penalty of up to \$25,000 per vehicle per day of violation.

SUPPORT

Mayor of San Francisco Ed Lee
San Francisco Supervisor Aaron Peskin
California Bicycle Coalition
San Francisco Bicycle Coalition
WalkSF

STAFF CONTACT

Office of Assemblymember Phil Ting
Andrew White, (916) 319-2019



SHAW/YODER/ANTWIH, inc.
LEGISLATIVE ADVOCACY • ASSOCIATION MANAGEMENT

January 18, 2017

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw / Yoder / Antwih, Inc.
Christopher Castrillo, Legislative Advocate, Shaw / Yoder / Antwih, Inc.
Melissa Immel, Legislative Aide, Shaw / Yoder / Antwih, Inc.

Re: SB 145 (Hill) Autonomous vehicles: testing on public roads.

Attachments: 1. Bill Text
2. SB 145 Fact Sheet

Introduction

Senator Hill has introduced SB 145, which would eliminate the 180-day waiting period for companies that file an application for a Department of Motor Vehicles (DMV) permit to deploy autonomous vehicles. The bill would also eliminate the requirement that the DMV notify the Legislature each time an application is submitted.

In his press release regarding this bill, Senator Hill said that SB 145 "ensures that when the final regulations are published for fully autonomous vehicles, manufacturers that comply with the rules won't have to wait half a year to put their self-driving cars on the road. This legislation removes that roadblock and enables California to retain its leading edge in this developing field without compromising safety."

The author's office also notes that the Legislature can achieve oversight through the budget process or committee hearings without the need for a six month gap between application and action. The Senator added, "My bill makes a necessary change to ensure that California law does not hinder the evolution and progression of self-driving technology."

The bill is in print but has not yet been referred to committee.

Recommendations

As this bill is still pending referral to a policy committee, we recommend working with City staff to review this legislation more closely, per the City's direction.

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Attachment 1

AUTHOR'S COPY

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, Hill.

General Subject: Autonomous vehicles: testing on public roads.

Existing law authorizes the operation of an autonomous vehicle on public roads for testing purposes by a driver who possesses the proper class of license for the type of vehicle operated if specified requirements are satisfied. Existing law prohibits the operation of an autonomous vehicle on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. Existing law requires the department to notify the Legislature if it receives an application from a manufacturer seeking approval to operate an autonomous vehicle capable of operating without the presence of a driver inside the vehicle. Existing law prohibits such an application from becoming effective any sooner than 180 days after that application is submitted.

This bill would repeal the requirement that the department notify the Legislature of receipt of an application seeking approval to operate an autonomous vehicle capable



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of operating without the presence of a driver inside the vehicle. The bill would also repeal the requirement that the approval of such an application not be effective any sooner than 180 days after the date the application is submitted.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



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AUTHOR'S COPY

An act to amend Section 38750 of the Vehicle Code, relating to autonomous vehicles, and declaring the urgency thereof, to take effect immediately.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 38750 of the Vehicle Code is amended to read:

38750. (a) For purposes of this division, the following definitions apply:

(1) "Autonomous technology" means technology that has the capability to drive a vehicle without the active physical control or monitoring by a human operator.

(2) (A) "Autonomous vehicle" means any vehicle equipped with autonomous technology that has been integrated into that vehicle.

(B) An autonomous vehicle does not include a vehicle that is equipped with one or more collision avoidance systems, including, but not limited to, electronic blind spot assistance, automated emergency braking systems, park assist, adaptive cruise control, lane keep assist, lane departure warning, traffic jam and queuing assist, or other similar systems that enhance safety or provide driver assistance, but are not capable, collectively or singularly, of driving the vehicle without the active control or monitoring of a human operator.

(3) "Department" means the Department of Motor Vehicles.

(4) An "operator" of an autonomous vehicle is the person who is seated in the driver's seat, or, if there is no person in the driver's seat, causes the autonomous technology to engage.

(5) A "manufacturer" of autonomous technology is the person as defined in Section 470 that originally manufactures a vehicle and equips autonomous technology on the originally completed vehicle or, in the case of a vehicle not originally equipped with autonomous technology by the vehicle manufacturer, the person that modifies the



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vehicle by installing autonomous technology to convert it to an autonomous vehicle after the vehicle was originally manufactured.

(b) An autonomous vehicle may be operated on public roads for testing purposes by a driver who possesses the proper class of license for the type of vehicle being operated if all of the following requirements are met:

(1) The autonomous vehicle is being operated on roads in this state solely by employees, contractors, or other persons designated by the manufacturer of the autonomous technology.

(2) The driver shall be seated in the driver's seat, monitoring the safe operation of the autonomous vehicle, and capable of taking over immediate manual control of the autonomous vehicle in the event of an autonomous technology failure or other emergency.

(3) Prior to the start of testing in this state, the manufacturer performing the testing shall obtain an instrument of insurance, surety bond, or proof of self-insurance in the amount of five million dollars (\$5,000,000), and shall provide evidence of the insurance, surety bond, or self-insurance to the department in the form and manner required by the department pursuant to the regulations adopted pursuant to subdivision (d).

(c) Except as provided in subdivision (b), an autonomous vehicle shall not be operated on public roads until the manufacturer submits an application to the department, and that application is approved by the department pursuant to the regulations adopted pursuant to subdivision (d). The application shall contain, at a minimum, all of the following certifications:



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(1) A certification by the manufacturer that the autonomous technology satisfies all of the following requirements:

(A) The autonomous vehicle has a mechanism to engage and disengage the autonomous technology that is easily accessible to the operator.

(B) The autonomous vehicle has a visual indicator inside the cabin to indicate when the autonomous technology is engaged.

(C) The autonomous vehicle has a system to safely alert the operator if an autonomous technology failure is detected while the autonomous technology is engaged, and when an alert is given, the system shall do either of the following:

(i) Require the operator to take control of the autonomous vehicle.

(ii) If the operator does not or is unable to take control of the autonomous vehicle, the autonomous vehicle shall be capable of coming to a complete stop.

(D) The autonomous vehicle shall allow the operator to take control in multiple manners, including, without limitation, through the use of the brake, the accelerator pedal, or the steering wheel, and it shall alert the operator that the autonomous technology has been disengaged.

(E) The autonomous vehicle's autonomous technology meets Federal Motor Vehicle Safety Standards for the vehicle's model year and all other applicable safety standards and performance requirements set forth in state and federal law and the regulations promulgated pursuant to those laws.

(F) The autonomous technology does not make inoperative any Federal Motor Vehicle Safety Standards for the vehicle's model year and all other applicable safety



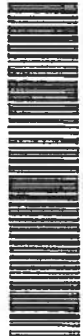
standards and performance requirements set forth in state and federal law and the regulations promulgated pursuant to those laws.

(G) The autonomous vehicle has a separate mechanism, in addition to, and separate from, any other mechanism required by law, to capture and store the autonomous technology sensor data for at least 30 seconds before a collision occurs between the autonomous vehicle and another vehicle, object, or natural person while the vehicle is operating in autonomous mode. The autonomous technology sensor data shall be captured and stored in a read-only format by the mechanism so that the data is retained until extracted from the mechanism by an external device capable of downloading and storing the data. The data shall be preserved for three years after the date of the collision.

(2) A certification that the manufacturer has tested the autonomous technology on public roads and has complied with the testing standards, if any, established by the department pursuant to subdivision (d).

(3) A certification that the manufacturer will maintain, an instrument of insurance, a surety bond, or proof of self-insurance as specified in regulations adopted by the department pursuant to subdivision (d), in an amount of five million dollars (\$5,000,000).

(d) (1) As soon as practicable, but no later than January 1, 2015, the department shall adopt regulations setting forth requirements for the submission of evidence of insurance, surety bond, or self-insurance required by subdivision (b), and the submission and approval of an application to operate an autonomous vehicle pursuant to subdivision (c).

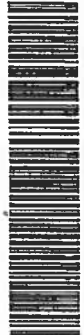


(2) The regulations shall include any testing, equipment, and performance standards, in addition to those established for purposes of subdivision (b), that the department concludes are necessary to ensure the safe operation of autonomous vehicles on public roads, with or without the presence of a driver inside the vehicle. In developing these regulations, the department may consult with the Department of the California Highway Patrol, the Institute of Transportation Studies at the University of California, or any other entity identified by the department that has expertise in automotive technology, automotive safety, and autonomous system design.

(3) The department may establish additional requirements by the adoption of regulations, which it determines, in consultation with the Department of the California Highway Patrol, are necessary to ensure the safe operation of autonomous vehicles on public roads, including, but not limited to, regulations regarding the aggregate number of deployments of autonomous vehicles on public roads, special rules for the registration of autonomous vehicles, new license requirements for operators of autonomous vehicles, and rules for revocation, suspension, or denial of any license or any approval issued pursuant to this division.

(4) The department shall hold public hearings on the adoption of any regulation applicable to the operation of an autonomous vehicle without the presence of a driver inside the vehicle.

(e) (1) The department shall approve an application submitted by a manufacturer pursuant to subdivision (c) if it finds that the applicant has submitted all information and completed testing necessary to satisfy the department that the autonomous vehicles



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are safe to operate on public roads and the applicant has complied with all requirements specified in the regulations adopted by the department pursuant to subdivision (d).

(2) Notwithstanding paragraph (1), if the application seeks approval for autonomous vehicles capable of operating without the presence of a driver inside the vehicle, the department may impose additional requirements it deems necessary to ensure the safe operation of those vehicles, and may require the presence of a driver in the driver's seat of the vehicle if it determines, based on its review pursuant to paragraph (1), that such a requirement is necessary to ensure the safe operation of those vehicles on public roads. ~~The department shall notify the Legislature of the receipt of an application from a manufacturer seeking approval to operate an autonomous vehicle capable of operating without the presence of a driver inside the vehicle and approval of the application. Approval of the application shall be effective no sooner than 180 days after the date the application is submitted.~~

(f) Nothing in this division shall limit or expand the existing authority to operate autonomous vehicles on public roads, until 120 days after the department adopts the regulations required by paragraph (1) of subdivision (d).

(g) Federal regulations promulgated by the National Highway Traffic Safety Administration shall supersede the provisions of this division when found to be in conflict with any other state law or regulation.

(h) The manufacturer of the autonomous technology installed on a vehicle shall provide a written disclosure to the purchaser of an autonomous vehicle that describes what information is collected by the autonomous technology equipped on the vehicle. The department may promulgate regulations to assess a fee upon a manufacturer that



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submits an application pursuant to subdivision (c) to operate autonomous vehicles on public roads in an amount necessary to recover all costs reasonably incurred by the department.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate safe and timely deployment of autonomous vehicles in California, it is necessary for this act to take immediate effect.

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Attachment 2



Senator Jerry Hill, 13th Senate District

SB 145 – facilitating deployment of driverless vehicles – DRAFT factsheet

IN BRIEF

To help facilitate the safe and timely deployment of driverless vehicles, SB 145 eliminates the 180 day driverless vehicle application waiting period and also eliminates a legislative notification requirement.

THE PROBLEM

Current law governing the operation of autonomous vehicles contains an unnecessary provision that will delay their deployment. In 2012, the Legislature and Governor enacted SB 1298 (Padilla), authorizing the testing and operation of autonomous vehicles on California roads. Under that law, the DMV created regulations for testing autonomous vehicles with the presence of a driver in the car and is in the process of finalizing regulations for testing and operation of an autonomous vehicle without the presence of a driver.

Current law requires the DMV to notify the Legislature every time it receives an application for operation of an autonomous vehicle without the presence of a driver. Further, the statute states that an application for operation of an autonomous vehicle without the presence of a driver cannot be approved until 180 days has lapsed since the application was filed. This means that each and every time a manufacturer applies for a permit to operate autonomous vehicles without the presence of a driver, the DMV must notify the Legislature and it also means that an application cannot be approved by the DMV any sooner than 180 days.

The provisions were generally meant to keep the Legislature informed about the deployment of driverless vehicles. However, the Legislature has other means of staying informed, be it through oversight hearings or the budget process, and the notification provisions in current law will likely have the effect of delaying full driverless operation at a time when other states are aggressively pursuing the deployment of autonomous vehicles.

BACKGROUND

California is a leader in self-driving technology, a technology that was largely born here, in the labs of California's universities and technology companies. Our state is one of only a handful of states that has

taken steps to specifically authorize self-driving technology in state law to foster its development.

The technology has terrific potential to bring greater efficiency to our systems of transportation, to save lives, reduce injuries, and increase mobility, especially for those whose opportunities to travel even within their own neighborhoods are limited. It is well documented that the large majority of traffic accidents result from human error. The National Highway Transportation Safety Administration (NHTSA) assigns blame to the driver in 94% of crashes. By removing the driver from the equation, autonomous vehicles have the potential to reduce crashes and save lives.

Under the 2012 law, the DMV published regulations in 2014 to test an autonomous vehicle with a driver. Under the regulations any manufacturer wishing to test its cars – with a driver at the controls – simply needs to apply for a permit from the DMV, provide certain information, and pay a \$150 application fee. The application is usually approved within 72 hours. Once approved, manufacturers can test their cars in our state. The DMV is expected to this year put out final regulations for the testing and operation of autonomous vehicles without the presence of a driver.

The goal of the law and regulations is to balance the testing and deployment of a new transportation technology with reasonable rules that ensures integrity and confidence in its ability to safely transport passengers and cargo.

THE SOLUTION

SB 145 will eliminate the unnecessary requirement that the DMV notify the Legislature every time there is an application for operation of an autonomous vehicle without the presence of a driver. It will also eliminate the requirement that such applications wait 180 days before being approved.

SUPPORT

FOR MORE INFORMATION

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